3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5
Baltic Countries RB2

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TABLE 4

LAND USE IN THE BALTIC STATES

TYPE OF LAND	LITHUANIA		LATVIA		ESTONIA	
	Thousands of Acres	*Per-cent*	*Thousands of Acres*	*Per-cent*	*Thousands of Acres*	*Per-cent*
Arable land	6,667	48.5	5,243	32.2	2,671	23.9
Meadows and pasture land	2,817	20.5	4,094	25.2	4,305	38.5
Forests	2,599	18.9	4,317	26.6	2,315	20.7
All others	1,673	12.1	2,602	16.0	1,885	16.9
TOTAL	13,756 [a]	100.0	16,256 [b]	100.0	11,176 [c]	100.0

[a] 5,567,000 hectares.
[b] 6,579,000 hectares.
[c] 4,523,000 hectares.

000 To enable the reader to gain a better understanding and judgment of statistics about the Baltic states given elsewhere in this work, some comparative figures are given in Table 5 regarding the territory and population of Lithuania, Latvia, and Estonia.

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Lithuania is lacking in natural resources that are necessary to a well-rounded economic life. One of the country's most serious deficiencies is the absence of its own fuel supply. There is no coal in Lithuania. In 1923 Lithuania imported 5,367,100 litas worth of coal and liquid fuel. By 1928 this figure had almost tripled, imports that year amounting to 14,905,700 litas. The only form of domestic fuel is peat, of which there are 162,221 acres (65,650 hectares). The possibilities of peat have not yet been fully explored, but if peat were made to supplant coal, it is estimated that Lithuania would possess fuel reserves for 132 years.[20]

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[20] A. K. Kubilius, *Lietuvos Ukio Perspektyvos* (The Prospects of the National Economy of Lithuania), Kaunas, 1930, p. 190.

433 241 439 Since 1924–25 the policy has been changed and the countries of central Europe have returned to the pre-war methods of tariff protection of their cereal production as well as to the protection of their animal husbandry. This has contributed to duplication in production and to the narrowing of the world market for exported agricultural products, while other factors stimulated the further expansion of agricultural production in the surplus-exporting countries. Exports from agricultural and raw-material producing countries increased very little during the years of prosperity because there was no appreciable increase in the demand for these products in the industrial countries. At the same time, the imports of agricultural countries, consisting mainly of manufactured goods, rose rapidly. The payment balance of agricultural countries could be kept in equilibrium only by an increase in indebtedness or by drawing on the surplus of previous years. For example, in 1924 Lithuania's exports exceeded imports by 60 million litas, while in 1927 imports exceeded exports by 19.8 million litas and in 1938 by 34.2 million litas.[6]

000 Data on economic activities in Lithuania cover the period up to 1939. With the war of 1939 another period of "disturbed economic development" started; no attempt can be made to analyze this period in this volume, since economic conditions are very unstable and data on economic activities unavailable.

LAND REFORM

423 One of the factors that contributed most to a complete overhauling of the internal economic and social structure of Lithuania was the land reform, a question which was

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[6] Exchange rate: 10 litas to $1.00 until 1933; 6 litas to $1.00, 1935–40.

474 operative branches, is a small sum. In the unclassified group
[452] in the year 1939 there were 430 societies with a membership of 4,581. The total membership of all coöperative societies in 1939 was 161,256.

All the coöperative unions and bigger coöperative societies have representatives in the Council of Coöperatives of Lithuania (Lietuvos Kooperatyvu Taryba), which was formally chartered on January 30, 1925. The task of the Council is to encourage coöperative movement, to maintain close ties among coöperatives in Lithuania and in foreign countries, and to represent them in the government institutions and
[204] public organizations. The Council publishes the magazines *Talka* (Coöperation) and *Bendras Darbas* (Coöperative Work).[26]

In short, it may be said that coöperation has played an important role in the economic reconstruction and development of Lithuania since 1918. Coöperative institutions have increased the purchasing power of the farmers, both as producers and as consumers. At the same time they have furthered economic progress both by increasing productivity and by improving the quality of many products.

GRAIN CULTURE

243 Grain culture, which has been known in Lithuania since ancient times, was the backbone of the country's agriculture before the World War of 1914–18. Though there has been a tendency since 1926 to concentrate more on livestock breeding and dairying, grain culture still is the dominating feature of Lithuania's agriculture.

245 In recent years there has been a yearly production of
439 about 1.6 to 1.7 million metric tons of grain, with only a

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[26] Šalčius, *op. cit.*, pp. 230–31.

small part of this available for export. Almost half of all the arable land of Lithuania is used for grain culture, a fact that is evident from Table 12. Although the amount of arable land used for grain culture increases slowly, the exports of grain have varied widely. The heavy grain exports in 1935

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TABLE 11

EXPORTS OF GRAIN 1924–39 [a]

YEAR	GRAIN EXPORTED [b] (*Metric tons*)	VALUE (*1,000 litas*)
1924	24,966	10,022
1926	16,541	9,894
1928	12,310	6,377
1930	40,664	11,526
1932	7,035	2,268
1934	25,504	4,682
1935	162,023	20,465
1936	130,562	14,578
1937	5,795	1,628 [c]
1938	132,379	21,696
1939	85,365	11,700

[a] In the statistics of grain exports are included not only rye, wheat, oats, and barley but also the seeds of vetch, peas, buckwheat, chick-peas, and lentils.

[b] The metric ton or 10 quintals = 36.743 U.S. bushels of wheat or potatoes, 39.369 U.S. bushels of rye or linseed, 45.931 U.S. bushels of barley, 68.894 U.S. bushels of oats, according to the League of Nations' *Statistical Year Book of 1940*.

[c] Kriksciunas, *op. cit.*, p. 104, for the period 1924–37.

and 1936, which according to Professor Kriksciunas [27] may be regarded as accidental, were made possible by an exceptionally large yield in 1934 and 1935. The bulk of production is intended for home consumption.

The most popular grain crops in Lithuania are winter ooo

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[27] Kriksciunas, *op. cit.*, p. 105.

3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5
Baltic Countries RB1

YEAR	LITHUANIA	LATVIA	ESTONIA
SUGAR BEETS			
1928–29	—	20	—
1929–30	—	35	—
1930–31	—	69	—
1931–32	67	94	—
1932–33	164	245	—
1933–34	73	291	—
1934–35	137	539	—
1935–36	198	451	—
1936–37	245	382	—
1937–38	257	442	—
1938–39 [b]	208	296	—

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[a] Conversion coefficients: see footnote b of Table 11.
[b] *Revue internationale d'agriculture*, 1940, No. 2.

FLAX

Lithuania is one of the chief flax-producing countries in Europe, for the climate and the soil are very favorable for the cultivation of this crop. It is to be noted that in spite of its small area Lithuania ranks as the third flax exporter of the world, being surpassed only by Soviet Russia and Poland. About 200,000 acres, or a little more than three percent of all the arable land in Lithuania, is used for flax growing. Although this is a comparatively small percentage, the income derived therefrom is high. The income from flax and linseed exports in 1920–36 was greater than that from butter, pigs and pork, eggs, or grain.[31] L 248 439 L [311]

Because there are no uniform standards for the preparation of the flax, the export products vary in quality. For example, in southern Lithuania flax is plucked out only after full maturity. Later it is submitted to a process of dew retting L 248

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[31] Kriksciunas, *op. cit.*, p. 103. See Table 19 for figures.

3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5
Baltic Countries RB1
Poland EA1

L 248 instead of being water retted as in other parts of Lithuania. Prepared by such methods, flax fiber is of low quality, although this is offset by a rich yield of valuable linseed. In other parts of Lithuania flax is plucked before reaching full maturity. Flax plucked at this state produces linseed of low quality, but the flax fiber is undoubtedly very strong and fine.[32]

L [474] The concentration of flax exports since 1932 in the coöperative concern Lietukis has raised the quality and reputation of Lithuanian flax. Continued progress in this respect will no doubt be reflected in better prices and greater profits.

L 248 BC 248 P 248

TABLE 18

PRODUCTION OF FLAX IN THE BALTIC STATES AND POLAND

(In Thousands of Quintals)

YEAR	LITHUANIA	LATVIA	ESTONIA	POLAND
1925–29 (av.)	364	221	100	561
1930–34 (av.)	208	141	66	323
1934	222	162	71	308
1935	319	248	105	398
1936	288	185	87	372
1937	313	231	103	381
1938	258	214	74	399
1939	289	192	62	(*a*)

[a] Figure not available.

L 248 ● 439 The importance of flax, tow, and linseed in the exports of Lithuania may be observed from the fact that in 1924 they constituted 26 percent of Lithuania's total exports; in 1926, 7 percent; in 1928, 20 percent; in 1930, 10 percent; in 1937, 15 percent; in 1938, 11 percent; and in 1939, 17 percent.

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[32] Kriksciunas, *op. cit.*, p. 101.

TABLE 19

EXPORTS OF LITHUANIA'S FLAX PRODUCTS

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YEAR	FLAX AND TOW		LINSEED	
	QUANTITY EXPORTED (1,000 metric tons)	VALUE (Millions of litas)	QUANTITY EXPORTED (1,000 metric tons)	VALUE (Millions of litas)
1924	14.0	52.75	18.6	16.29
1926	19.7	56.93	25.8	18.04
1928	13.2	46.59	77.0	6.18
1930	10.2	19.59	20.1	14.21
1932	9.0	9.12	7.7	2.46
1934	10.2	11.19	6.4	2.01
1936	19.7	25.12	23.8	6.80
1937	16.1	24.00	20.7	7.10
1938	18.8	24.82	5.6	1.98
1939	20.0	30.31	10.3	4.16

DAIRY PRODUCTS

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Butter and cheese were produced in pre-war Lithuania, but these items became available in increasing quantities for export only after the World War. In 1909–14, only some of the bigger landlords (farmers owning 200 acres or more) had their own creameries, but most of the middle-class and small farmers prepared milk products mainly for their own consumption, sending only a small portion to near-by township markets. In 1901, forty-eight landlords organized the creamery Birute whose yearly exports of butter reached 620,000 pounds. But the World War which disorganized the national economy of Lithuania also ruined the dairy co-operatives. Not only were the dairies destroyed but the country was deprived of its sources of supply, for almost

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234 half of the cattle were slaughtered for meat by various armies.[23]

Shortly after the World War there was great demand for milk products in Germany and prices were high. It was possible to sell milk and milk products even of low quality, especially in the border districts of Germany. In 1924–25 the conditions began to change. Germany returned to the pre-war methods of tariff protection and adopted the policy of economic self-sufficiency. There were also greater supplies of milk products from other markets, such as Denmark and overseas, which caused a decrease in prices.

Private merchants, interested only in immediate profits and possessing no capital for long-term investments, were unable to improve the quality of milk products. That this quality was low can be deduced from the fact that the butter bought up from the farmers had been prepared in a variety
● 439 of ways, mostly by primitive methods. The butter was then mixed and packed for export. Naturally, prices for such "mixtures," were low, but eventually it became impossible to sell the product even at low prices.

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The government was anxious to help the farmers by improving milk products and increasing exports. The best way to do that seemed to be by coöperation, a method which in later years fully justified the expectations. Through the initiative of the coöperatives and with government subsidies, the quality of butter was improved so much that in 1936, of all the butter-exporting countries, only Denmark was able to get higher prices than Lithuania. Lithuania's position in this market shows even more creditable progress when we

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[23] *Centraline Lietuvos Pieno Perdirbimo Bendroviu Sajunga Pienocentras 1927–1936* (The Central Union of Dairy Coöperative Societies of Lithuania, Pienocentras, 1927–1936), p. 15.

take into consideration the fact that Danish butter had been 234
selling in London for decades and the English consumers 474
had acquired a taste for it.[34] 654

The first to organize the dairies were the Central Union of the Agricultural Coöperatives of Lithuania (Lietukis) and the Coöperative Society (Gamintojas). In 1923 a separate dairying section was established at Lietukis. The Ministry of Agriculture subsidized the newly organized steam

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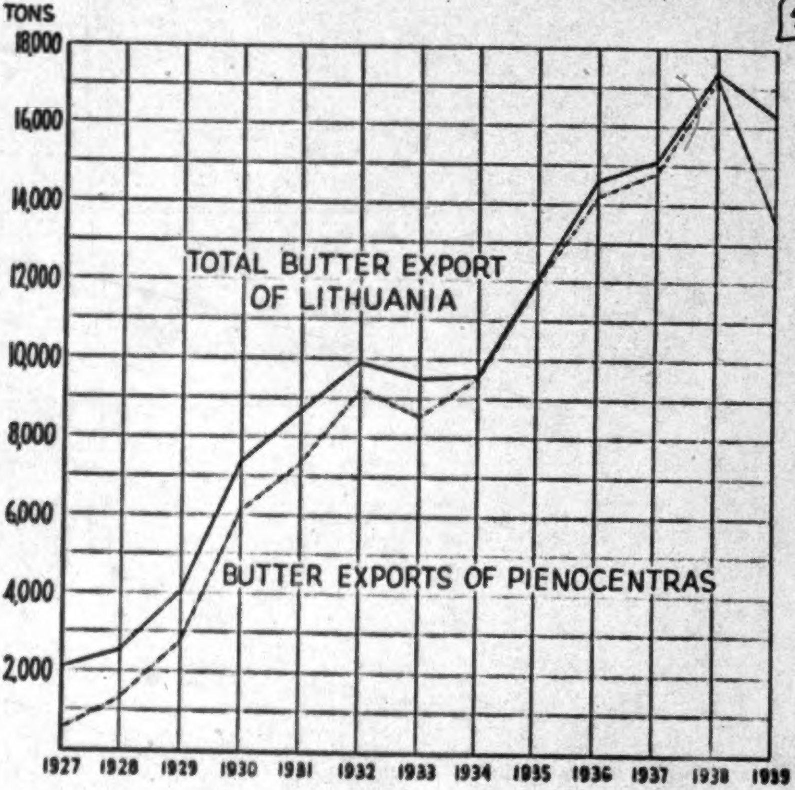
CHART I

BUTTER EXPORTS OF LITHUANIA



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[34] Kriksciunas, *op. cit.*, p. 96.

3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5
Baltic Countries RB1

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BUTTER

(1,000 Metric Tons)

YEAR	LITHUANIA [a]	LATVIA	ESTONIA
1928	1.6	14.3	12.2
1929	3.1	17.0	13.7
1930	6.4	20.8	15.5
1931	8.1	22.2	16.1
1932	10.3	22.1	14.5
1933	9.9	18.6	11.5
1934	10.7	18.8	12.6
1935	13.2	20.5	13.3
1936	15.8	22.2	13.8
1937 [d]	17.1	21.7	15.9
1938 [e]	19.6	([f])	([f])
1939	19.9	([f])	([f])

[a] Only milk controlled by dairies is included in this table.
[b] L.N. 1937–38, p. 72.
[c] C.S.B., volumes for 1938 and 1939.
[d] L.N., 1937–38, p. 74.
[e] C.S.B., volumes for 1938 and 1939.
[f] Figures not available.

uania production increased more than tenfold during the ten-year period. The chief cause for this is that dairying in Latvia and Estonia was considerably advanced before the World War, which was not the case in Lithuania. During the recent years, before the Soviet occupation, however, Lithuania not only succeeded in reaching Estonia's level of butter production but even surpassed it. This situation shows how retarded dairying was in Lithuania as compared with Latvia and Estonia, and indicates the great achievement of coöperation in this particular field.

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The expansion of dairying in Lithuania may be observed also from export figures, given in Table 22.

3: Simutis S-4 (no date) 1942 RB5 Lithuanians RB5

Baltic Countries RB1

TABLE 22

BUTTER EXPORTS IN THE BALTIC STATES[a]

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(In Metric Tons)

YEAR	LITHUANIA	LATVIA	ESTONIA
1927	2,051	10,761	9,906
1928	2,643	13,006	11,222
1929	4,084	14,830	12,359
1930	7,357	13,430	14,066
1931	8,705	18,739	14,444
1932	9,926	18,598	12,531
1933	9,580	15,720	9,224
1934	9,671	15,701	10,118
1935	12,154	16,816	10,838
1936	14,629	17,291	10,955
1937	15,058	19,211	13,179
1938	17,413	23,464	14,732
1939	16,386	(b)	(b)

[a] C.S.B., volumes for 1927 to 1939.

[b] Figures not available.

LIVESTOCK

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Livestock breeding is one of the branches of agriculture that suffered greatly in the World War. As soon as the war started in 1914 Russia requisitioned the best horses for the army. Then came the German army, which took what had been left by the Russians. Only horses unfit for army use were left.

To alleviate a great shortage of food caused by the Allied blockade the Germans requisitioned even the milk cows for slaughter. The reduction in livestock in Lithuania in 1919 as compared with 1913 was as follows: horses, 38 percent; cattle, 47.7 percent; pigs, 44 percent; sheep, 30 percent. The reduction of stock may be clearly seen from Table 23,

TABLE 23

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LIVESTOCK IN LITHUANIA 1913–39

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YEAR	HORSES (*1,000 head*)	CATTLE (*1,000 head*)	PIGS (*1,000 head*)	SHEEP (*1,000 head*)
1913	451	918	1,138	1,152
1919	280	480	750	806
1920	335	604	1,119	894
1921	376	780	1,262	1,036
1925	497	1,339	1,488	1,455
1928[a]	611	1,128	1,010	1,409
1930	562	1,034	1,207	1,212
1935[b]	545	1,132	1,223	1,220
1938[c]	558	1,193	1,249	1,241
1939	521	1,004	1,117	1,224

[a] For the period 1913–28: Kubilius, *op. cit.*, p. 86; C.S.B., 1913–28, p. 58.
[b] For the years 1930 and 1935: *Lietuvos Surasymas*, 1935, pp. 40–51.
[c] C.S.B., volumes for 1938 and 1939.

which shows also that livestock breeding recovered very quickly after the World War, so that as early as 1925 the number of livestock was even greater than it had been in ●[439] 1913. Exports of livestock and their products constituted 26.13 percent of the total value of exports as early as 1924 and reached 31.02 percent in 1928 and 61.4 percent in 1939. It may be interesting to analyze the livestock situation according to its various important branches.

231 [533] Horses were bred in Lithuania as far back as historians can trace the Lithuanian people. That horses are beloved by Lithuanians is proved by the many folk songs about them. In the Middle Ages Lithuania needed horses for its wars and bred them in great numbers for that purpose. Some of them were even sold in foreign markets.[36]

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[36] Kriksciunas, *op. cit.*, p. 152.

TABLE 24

EXPORT VALUE OF LIVESTOCK AN
PRODUCTS*

(*In Thousands of Litas*)

YEAR	HORSES	CATTLE	PIGS	MEAT, MEAT PRODUCTS	MILK, BUTTER, CHEESE	SKINS
1924	16,219	5,404	11,773	10,966	6,969	16,022
1925	14,475	7,386	14,119	6,672	12,123	11,731
1926	5,322	9,320	20,895	8,641	16,295	7,123
1927	10,993	6,756	12,864	6,826	17,537	11,315
1928	9,820	7,445	11,533	5,874	25,560	17,160
1930	10,306	12,975	38,753	46,112	52,543	7,790
1935	3,435	106	7,084	25,808	24,878	3,286
1937	4,964	2,189	16,336	31,127	48,193	7,343
1938	5,060	2,837	21,257	36,196	58,110	5,569
1939	3,300	2,436	23,509	39,884	50,056	4,055

* C.S.B., volumes for 1924 to 1939.

THEIR

BRISTLES, HAIR, BONES	TOTAL	PERCENT OF NATION'S TOTAL EXPORTS
4,233	71,586	26.1
3,397	69,903	28.9
3,067	70,663	28.4
2,133	68,424	27.8
2,186	79,578	31.0
2,652	171,131	51.3
1,149	65,746	43.2
1,782	111,934	53.7
1,454	130,483	55.9
1,614	124,854	61.4

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3: Simutis 5-4 (no date) 1942 RB5 Lithuanians RB5

231 In recent years horses have been used a great deal for farm work. Lithuania being a country of small farms, it is usually quite impossible for the farmer to invest in expensive machinery. Furthermore, labor is too cheap for mechanized farming to be able to compete with it. Thus, the total number of horses in Lithuania is considerably larger than in the neighboring countries, Latvia and Estonia.

Shortly before the World War, and immediately after it, the small "Samogitian horses" (Zemaitukai) or "Lithuanian horses" were especially famous in western Europe. They are unusually hardy and are of the same breed as those with which Lithuanians in the Middle Ages made their inroads into Smolensk, Novgorod, and Moscow in their wars with the Russians.[37] These horses are especially suited for use in a country of large forests, bad roads, and primitive farming. But at the end of the nineteenth century, and especially at the beginning of the twentieth, conditions changed. More advanced farming with heavier tools required bigger and stronger horses, and horses of this type were crossed with the small "Samogitians." At the present time there are found many breeds of horses, but very few are of a pure breed. After the World War horse raising was vastly improved by establishing free central stations for horse husbandry. The sturdy "Samogitians" were valuable particularly for work in mines.

231 Shortly after the World War, demand for horses being
● 439 great and prices high, a substantial number of horses were exported, but in recent years the export of horses has been

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[37] *Ibid.*, p. 153.

TABLE 25

EXPORT OF HORSES 1924–39

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YEAR	NUMBER OF HORSES	VALUE (*In million litas*)
1924	23,204	16.2
1926	10,347	5.3
1928	27,224	9.8
1930	20,647	10.3
1932	8,215	2.2
1934	17,318	4.6
1936	14,900	5.6
1937	13,262	4.9
1938	12,230	5.1
1939	7,130	3.3

on the decline. The greatest importers of Lithuanian horses are Latvia, the Netherlands, Denmark, and Finland. In 1938 the export of Lithuanian horses was as follows:

Latvia	3,254	Belgium	1,041	Germany	378
Netherlands	2,284	Switzerland	837	Czechoslovakia	37
Denmark	1,908	Sweden	698	Estonia	6
Finland	1,277	Great Britain	341		

Cattle breeding is one of the branches of livestock husbandry which not only recovered rapidly from the ravages of the World War but showed both a slight increase in number of head as compared with 1913 and a substantial improvement in quality. Evidence of improved quality is shown by the tenfold increase in butter production. The 1930 and 1935 censuses reveal the various categories of Lithuanian cattle as in Table 26. 231

TABLE 26

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CATEGORIES OF LITHUANIAN CATTLE IN 1930 AND 1935[a]

	1930	1935
Calves less than one year old	216,890	160,670
Heifers one year old and older	135,670	176,300
Oxen one year old and older	27,200	38,730
Milk cows	654,030	755,830
TOTAL	1,033,790	1,131,530

[a] *Lietuvos Surasymas*, 1935, pp. 43–44.

From this table we see that about 65 percent of all the cattle of Lithuania are milk cows. The total number of cattle increased in 1935 as compared with 1930 by 9.5 percent, while the number of calves less than a year old was substantially smaller.

Pig breeding, another important branch of Lithuanian agriculture, is connected to some extent with dairying. This is because the dairies yield large quantities of skimmed milk, ● [439] which is always an excellent feed for pigs. Until 1924 the exports of pigs and pork from Lithuania were insignificant, but in later years, especially since 1930, after the Maistas Corporation developed its activities on a wider scale, the exports have increased considerably. In its stockyard at Kaunas about 800 workers were employed before the Russian occupation, while in the establishments at Siauliai, Panevezys and Taurage, smaller numbers were employed.

236 Sheep breeding in Lithuania is mainly for wool production, but wool has not played any great role in the exports of Lithuania, as the bulk was consumed by domestic agriculturists for making cloth at home. After the World War, conditions gradually changed; the farmers began to sell sur-

TABLE 27

EXPORT OF PIGS AND PORK PRODUCTS 1924–39 231

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YEAR	LIVE PIGS (*1,000 head*)	BACON	FRESH PORK
		(*1,000 metric tons*) [a]	
1924	43.5	0.0	1.1
1926	72.0	0.0	2.0
1928	41.8	0.6	1.2
1930	154.1	17.4	3.2
1932	33.7	40.9	5.5
1934	46.1	30.7	4.4
1936	117.0	10.2	5.1
1937	137.7	10.5	3.5
1938	153.1	11.8	1.6
1939	179.7	15.6	1.1

[a] One metric ton = 2,204.6 U.S. pounds.

plus wool and to buy clothing ready-made in town instead of making it themselves. Since the climate is unfavorable for sheep breeding and the wool from Lithuanian sheep is therefore poor, domestic wool is mixed by the textile industry of Lithuania with imported wool of better quality. The value of wool imports in recent years was as follows: in 1936, 1,859,700 litas; in 1937, 2,558,900 litas; in 1938, 1,681,900 litas and in 1939 1,436,100 litas. The bulk of this wool came from Great Britain. There is perhaps no great future for sheep breeding; on the contrary, it is likely that this branch of livestock production will decrease even more. 236

POULTRY FARMING

Poultry farming is also a very old branch of Lithuania's agriculture, and the role it has played in the exports picture has not been unimportant. Poultry farming is especially 235

235 suited to countries with small farms, but in Lithuania, compared with *Belgium, Holland, and Denmark, it is still undeveloped.*[38]

TABLE 28

POULTRY PRODUCTION IN 1935*

FOWL	NUMBER	PERCENTAGE OF ENTIRE POULTRY PRODUCTION
Hens	4,614,420	72.4
Ducks	601,450	9.4
Geese	946,510	14.9
Turkeys	210,730	3.3

* *Lietuvos Surasymas,* 1935, p. 51.

In the first years of independent Lithuania, egg production, in comparison with the production in other branches of agriculture, was high, but in later years it diminished in importance and relinquished its position to milk products and
●439 meat. The highest prices for eggs exported were received in
235 1921–22. In the latter year, egg exports constituted almost a third of the whole export value, as may be seen from Table 29. The main cause of the decrease in exports of eggs after 1922 was, of course, the fall in prices. In 1922 the

TABLE 29

MAIN EXPORT ITEMS OF LITHUANIA 1920–22

	1920	1921	1922
Total value of exports (in millions of marks)	490	631	3,047
Flax (percent of total)	46.4	29.3	7.8
Forest products (percent)	35.5	30.3	39.0
Eggs (percent)	3.6	23.4	32.1

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[38] Krikscinnas, *op. cit.,* p. 85.

wholesale price for ten eggs in London was 4.90 litas; in 1923, 235
4.19 litas; in 1922, 3.73 litas; and in 1927, 2.45 litas.[29] 439●
From Table 29 it may be seen that in the first years of Lithuanian's independent national existence the most important exports were forest products, flax, and eggs; in later years, when conditions became more settled, these products became of secondary importance. How poultry production and poultry exports changed in value after 1924 may be seen from Table 30. The exports of eggs did not diminish in volume as much as in value, because the most drastic drop in price levels occurred in 1931–32. For a few years before the Soviet Russian occupation experiments were conducted in the improvement of poultry and in the organizing of efficient egg-collection stations. This was done by the coöperatives. At the same time there was considerable improvement in the prices received for these products. 235

TABLE 30

EXPORTS OF POULTRY AND POULTRY PRODUCTS

(In Thousands of Litas)

YEAR	EGGS	POULTRY [a]	POULTRY MEATS	TOTAL
1924	19,938	4,956	391	24,285
1925	14,872	3,824	308	19,003
1926	13,575	5,206	817	19,597
1927	10,944	4,511	560	16,015
1928	14,435	6,810	157	21,393
1930	11,892	7,759	1,806	21,457
1935	2,117	1	1,369	3,487
1938	7,833	2,283	2,746	12,862
1939	8,196	3,170	3,615	14,981

[a] Geese, hens, ducks, turkeys.

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[29] Kubilius, *op. cit.*, pp. 180–90.

With the Sovietization of Lithuania by Russia all those corporations were nationalized in August, 1940, and made government establishments. On August 7, 1940, an order was published requesting even the surrender of the shares of capital stock and bonds of private corporations or government.[5] No due compensation was promised. 473

When Russian occupation was substituted by German in June, 1941, the system of private ownership was returned in Lithuania, except private, corporate, or coöperative wealth, which apparently is kept for distribution to German nationals or at least to German sympathizers. 471

THE TEXTILE INDUSTRY

The textile industry showed a spectacular rise between 1927 and 1940. But even before this period it had shown considerable advance. It is estimated that in the years 1909 to 1913 this industry in Lithuania employed about 300 workers.[6] In 1927 the number of workers had grown to 1,403, almost five times as many as before the World War, while in 1939 the industry was employing 7,561 workers. 288 433

It is interesting to note that in spite of increasing textile production at home, imports did not decrease proportionately. This may be accounted for partly by the fact that rising living standards increased the demand to such an extent that even the increased production was not sufficient to satisfy it without the aid of proportionately high imports. Lithuania does not export any textile fabrics. [439]

The expanding textile industry modifies the type of textile

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[5] *Darbo Lietuva* No. 50, Aug. 13, 1940. (*Darbo Lietuva* [Worker's Lithuania] was a Bolshevik daily in Kaunas, established after the occupation.)

[6] L.G.S.A., 1937, p. 405.

TABLE 36

IMPORTS OF THE LEADING SEMIFINISHED AND FINISHED TEXTILE GOODS 439

(In Thousands of Litas)

YEAR	WOOLEN SPUN YARN	COTTON SPUN YARN	WOOLEN FABRICS	COTTON FABRICS	TOTAL
1928	2,188	6,032	12,952	21,118	42,291
1929	2,413	7,449	14,179	18,600	42,643
1930	2,269	12,019	16,543	21,867	52,699
1931	2,576	8,801	14,980	24,082	50,439
1932	2,034	7,916	7,319	11,370	28,639
1933	3,264	8,917	4,430	8,320	24,931
1934	4,334	7,951	3,717	7,132	23,133
1935	4,173	7,364	3,742	7,271	22,550
1936	7,061	8,662	5,067	10,230	31,020
1937	8,433	8,558	5,795	10,213	32,999
1938	8,433	7,761	5,299	9,536	31,029
1939	5,004	5,499	4,564	8,654	23,721

FOODSTUFFS INDUSTRY

Among Lithuanian industries, foodstuffs occupied first 258 place (41.6%) from the point of view of value of product 433 in 1937 and second place from the point of view of number of people employed. From 1927 to 1938 this branch of industry almost doubled in number of employees. Table 37 shows this expansion. The meat, fish, and canned goods branch showed an exceptional rise. In 1939 the number of workers rose to 1,987 or more than five times the number (362) employed in 1927. The Maistas Corporation, with its five stockyards (Kaunas, Klaipeda, Siauliai, Panevezys, and Taurage), has been responsible for most of this progress.

The Maistas Corporation was originally organized in 1923 000 held. The first loss did not discourage the promoters, however. 473 In 1925 the capital stock of the corporation was raised to 10,000,000 litas. This increase was motivated by the fact that in constructing the first stockyard the corporation had indebted itself to this amount. But even then the prospects of the corporation were not very encouraging. Private owners soon sought to rid themselves of the stock held, which at the end of 1925 was absorbed by such important organizations as the Union of Farmers of Lithuania, 2,250 shares; the Union of Agricultural Coöperative Societies of Lithuania (Lietukis), 2,000 shares; the coöperative society Lietuvos Eksimportas, 670 shares; and by many smaller units subscribing to their proportionate number of shares. Thus the Maistas Corporation, having been founded as a strictly private enterprise, became an important public enterprise. In March of 1930 the by-laws of the corporation were changed to comply with the new laws of the state and on March 22, 1930, the company was newly incorporated. In the same year the government of Lithuania purchased part of the stock of the corporation for 3,000,000 litas and later an additional portion for 4,000,000 litas. The Maistas Corporation therefore became an institution known in English-speaking countries as a mixed enterprise, from the point of view of control. In 1938, as has already been stated, it owned five stockyards in the most important cities of Lithuania. Its 439● meat and livestock export rose from 226,106 litas in 1923 to 35,420,949 litas in 1932 and 42,720,000 litas in 1936, the last amount representing 22.4 percent of the total value of the country's exports.[8]

The organization showed an exceptionally spectacular rise in exports in the last two years before Soviet Russian occu-

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[8] Kriksciunas, *op. cit.*, p. 151.

439 pation. In 1938, Maistas sales to foreign countries rose to 57.85 million litas, while in 1939 it rose to 71.7 million litas, or 24 percent above the 1938 figures.

438 Even in domestic business Maistas showed an impressive rise. Its domestic sales amounted in 1930 to 5.8 million litas and rose every subsequent year until in 1938 they reached 14.9 million litas and in 1939, 18.8 million litas.

257
433 The sugar industry, which also shows considerable advance, started with one refinery in 1932, employing 67 persons, and in 1939 had two refineries with 246 workers, not counting the many farmers who were engaged in sugar-beet growing and whose incomes were increased through the introduction and development of this branch of agriculture.
257
471 Inasmuch as the two refineries were insufficient to meet the demands of Lithuania, a third refinery was constructed. All three are owned by the Lietuvos Cukrus Corporation, in which the government participates as owner of a controlling number of shares of capital stock. The first refinery was opened in 1932 in Marijampole and the second in 1935 in Panevezys. The production rose very rapidly: in 1932, 67,000 quintals; 1933, 162,000 quintals; 1934, 82,000 quintals; 1935, 153,000 quintals; 1936, 221,000 quintals; 1937, 272,000 quintals; in 1938, 287,000 quintals[9] and 1939, 208,000 quintals.

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433 Another industry in the food-and-luxury category which showed great expansion both in number of establishments and in workers employed is that of dairying, which is covered in the section on coöperatives, above.

438
433 Other industries, such as grain mills with 761 workers, candy and chocolate factories with 761 workers, and tobacco

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[9] C.S.B., 1938, p. 160.

and cigarette factories with 569 workers, continued to operate at about the same level throughout these past years. 438 433

LUMBER INDUSTRY

Some understanding of the lumber industry may be obtained from Table 38.[10] It will be observed that sawmilling 313 433

TABLE 38

LUMBER INDUSTRY

BRANCH OF INDUSTRY	1927		1930		1935		1938		1939[a]	
	Establishments	*Workers*	*Establishments*	*Workers*	*Establishments*	*Workers*	*Establishments*	*Workers*	*Establishments*	*Workers*
Sawmilling	131	2,731	114	1,718	124	2,853	175	2,970	170	1,901
Plywood production	—	—	3	443	3	602	3	767	1	27
Cabinet-making	6	90	10	229	8	251	88	963	61	839

[a] After seizure of Klaipeda by Germany.

is the leading branch of the lumber industry, although it does not show great expansion. The same may be said of the plywood industry. The latter felt the greatest setback with the loss of Klaipeda. The lumber industry, producing mainly for export, was hit by the world depression more severely than any other industry. [439]

Before the agricultural products industry was developed for export, lumber was one of the most important items exported from Lithuania. It is to be noted that with the ex- 3/3 439

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[10] C.S.B., 1938 and 1939, pp. 170–71 and 160–61 respectively.

313 pansion of the lumber industry the exported products
439 changed. In 1920 69.1 percent of lumber was exported as raw material as against 30.9 percent semifinished items, while in 1921 this percentage changed to 49.9 percent raw as against 50.1 percent semifinished.

In 1939 this industry experienced a severe blow with the seizure of Klaipeda by Germany, the industry having been concentrated in Klaipeda. With the return of the Vilnius region to Lithuania at the end of 1939, the lumber industry was compensated somewhat, but to what extent it was impossible to establish, since seven months later came the Soviet Russian occupation.

PAPER AND PRINTING INDUSTRY

289 The paper and printing industry of Lithuania in 1938 em-
433 ployed 2,615 wage earners and accounted for 8.4 percent of the gross value of Lithuania's industrial production and 10.8 percent of the net value. Therefore, from the standpoint both of the number of wage earners employed and of the value of production, it was in the fourth place. Like the lumber industry, it suffered in 1939 when Germany seized Klaipeda where several of the larger printing establishments were located. Before the German occupation of Klaipeda, Lithuania had 88 establishments with 2,679 workers, while thereafter she had 81 establishments with 1,613 workers.[11]

From the statistics available it may be seen that in 1913 this branch of industry was only in its infancy. In that year there were only 20 establishments with 284 wage earners in the province (gouvernement) of Kaunas, while in 1927, in the same region, there were 52 establishments with 2,115 wage earners. The industry reached its high point in 1930,

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[11] C.S.B., 1938 and 1939, pp. 170–71 and 160–61 respectively.

Chapter IV

FOREIGN TRADE

439 652 The customs boundaries and customs tariffs of Lithuania were established in May, 1919, from which time the statistics on foreign trade were compiled. But up to 1923 these statistics were such that the figures are not exactly comparable with those of the later years. The unstable German *Obost* and *Reichsmark* currency, which circulated in Lithuania up to the end of 1922 when the Lithuanian litas currency was introduced, may be regarded among the chief causes for this situation.

It will be noted from Table 39 that the value of foreign trade increased until 1930 when it reached an all-time high of 333,739,000 litas in exports and 312,415,000 in imports. If the year 1923 is taken as a base, with the index number 100 for imports and exports, the index number for exports of 1930 is 227 and for imports 199. 439

From 1930 foreign trade decreased, the lowest point for exports being reached in 1934 with the index number 100, and for imports in 1935, with the index number at 82. Full revival of foreign trade began in 1936 when the index number for exports was 130 and for imports 100. In 1938 it rose as high as 159 for exports and 143 for imports.

In analyzing these figures it must be recalled that the litas currency of Lithuania held its original gold parity and there was no devaluation up to the Soviet invasion in 1940. [652]

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VALUE OF FOREIGN TRADE

TABLE 39

VALUE OF IMPORTS AND EXPORTS

(*In Thousands of Litas*)

YEAR	EXPORTS	IMPORTS	DIFFERENCE
1923	146,795	156,627	— 9,832
1924	266,584	206,534	+60,040
1925	242,715	252,703	— 9,988
1926	253,300	240,761	+12,539
1927	245,929	265,694	—19,765
1928	256,881	291,091	—34,210
1929	329,842	306,422	+23,420
1930	333,739	312,415	+21,324
1931	273,119	277,959	— 4,840
1932	189,126	166,954	+22,172
1933	160,227	142,176	+18,051
1934	147,245	138,690	+ 8,555
1935	152,269	128,579	+23,689
1936	190,485	156,061	+34,424
1937	208,325	212,667	— 4,342
1938	233,198	223,686	+ 9,512
1939	203,194	169,362	+39,832

If the value of imports and exports, commencing with 1932, is translated into dollar currency, a very different index number is obtained. For example, the exchange rate of the litas in January, 1932, was 10.02 litas for $1.00; in January, 1934, 6.42 litas for $1.00; and in 1935, 5.99 litas for $1.00.[1]

It is interesting to note that in 1924 Lithuania had a very favorable trade balance, with exports exceeding imports by over 60 million litas. Three years later the position was exactly opposite. Starting with 1927 the trade balance for two 439 successive years was unfavorable. In 1927 imports exceeded 451 exports by 19,764,700 litas and in 1928 by 34,210,100 litas. One of the chief causes for this condition may be found in the fact that in 1924 the prices for agricultural products were high, while in 1927 and 1928 they were substantially lower. As Table 39 shows, the trade balance of Lithuania is generally favorable.

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[1] See Apendix F, Foreign Exchange Quotations in Kaunas.

SHIFTING OF THE COMMODITIES INVOLVED IN FOREIGN TRADE 439

One of the most interesting things in the foreign trade of Lithuania and one that also shows clearly which way the economic life of Lithuania is going is the shifting of commodities involved. In 1920 the chief exports of Lithuania were lumber and other forest products, which accounted for 40 percent; flax, which accounted for 34.3 percent; linseed, 12.2 percent; eggs, 3.7 percent; and livestock, 1.5 percent. No butter was exported in that year, and food exports generally played a very small role. In the next three years, 1921, 1922, and 1923, the export picture was somewhat changed. Although forest products still retained the most important position, eggs became one of the leading export commodities and in 1921 accounted for 23.5 percent of total exports; in 1922, 20.2 percent; and in 1923, 10.3 percent. But the rise in this commodity proved to be only temporary. In 1927 eggs were down to 4.4 percent of the total value of exports. At the same time there was a constant increase in livestock exports, which rose to 16.2 percent in 1926 [2] and to 21 percent in 1930. After 1925 the statistics of exports of Lithuania were divided into five groups: (1) the livestock group, comprising horses, cattle, domestic and wild animals, and live poultry; (2) the food products group, comprising various kinds of meat, including poultry, dairy products, eggs, fish, grain, vegetables, sugar, liquors, and so forth; (3) the raw and semifinished goods, which consists of raw furs and skins, wool, various livestock products, plants, fodder, tim-

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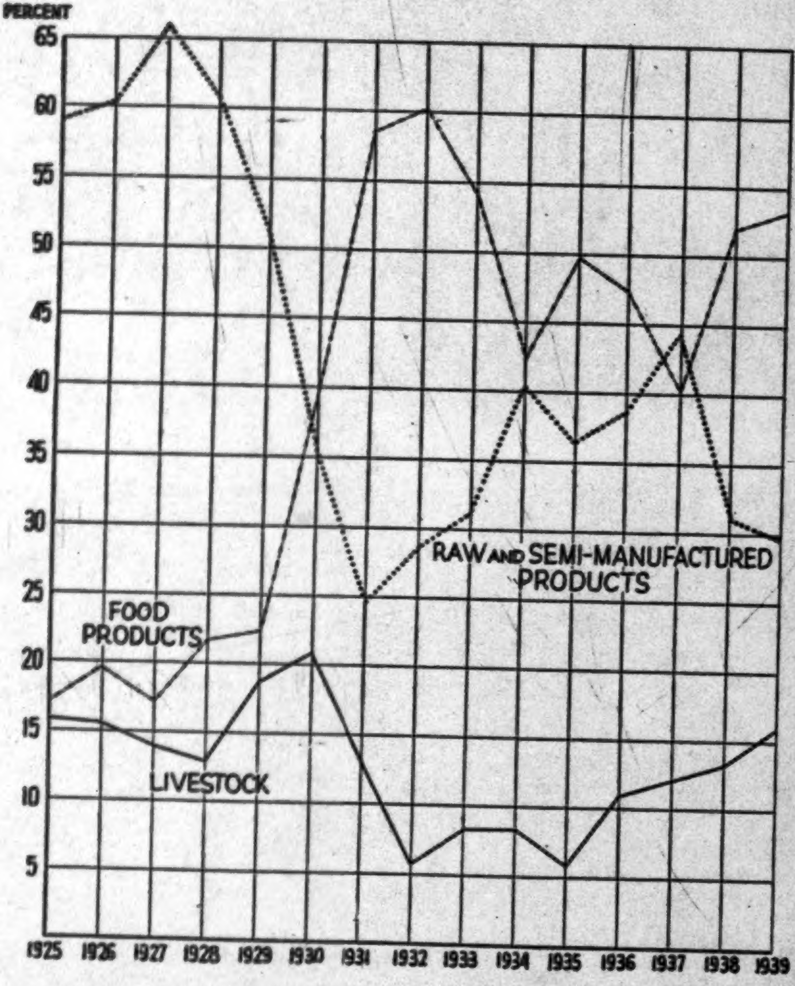
[2] C.S.B., *Lietuva Skaitmenimis 1918–1928*, pp. 91–126.

CHART II

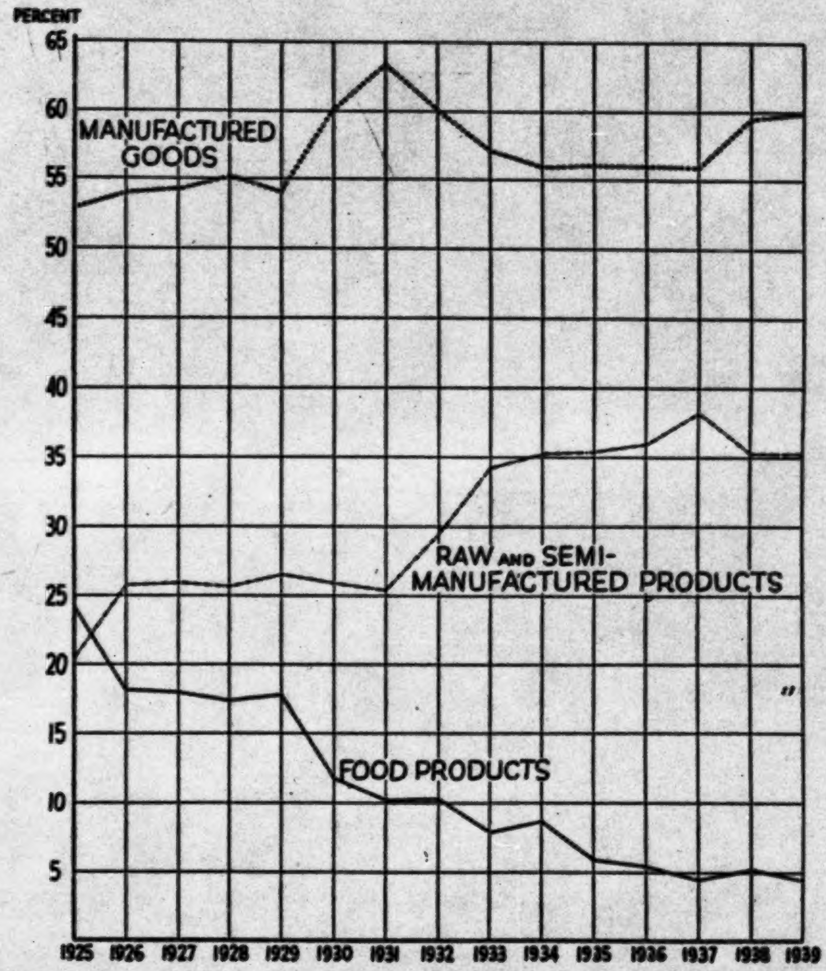
CHANGE IN EXPORTS FROM LITHUANIA



ber, forest products, woodpulp, rags, and so on; (4) the manufactured goods group, comprising cosmetics, paints, medicines, dressed furs and skins, spun yarn, tobacco, cigars and cigarettes, underwear, woodcraft products, paper and paper products, ceramics, machinery, and so on; (5) gold and silver.

Chart III

CHANGE IN IMPORTS INTO LITHUANIA



●439 How the relative importance of these merchandise groups changed in Lithuania's export picture may be seen from Table 40, in which the figures show the percentage that each group bears to the total value of exports.[3] From this table we see that from 1925 to 1939 the value of the exports in the food products group increased from 17.12 to 53.04 percent, while the group of raw and semifinished products decreased from 59.26 to 29.80 percent. The livestock and manufactured goods groups showed great variation, but

TABLE 40

SHIFTING OF COMMODITY GROUPS IN EXPORTS
1925–39

(Percent)

YEAR	LIVESTOCK	FOOD PRODUCTS	RAW AND SEMIFINISHED PRODUCTS	FINISHED GOODS	GOLD AND SILVER
1925	16.56	17.12	59.27	6.96	0.09
1926	16.17	19.77	60.36	3.70	0.00
1927	14.33	17.38	66.10	2.13	0.06
1928	13.61	21.88	61.78	2.67	0.06
1929	18.83	22.72	51.55	6.85	0.05
1930	20.99	39.40	35.82	3.77	0.00
1931	13.13	57.38	24.56	4.92	0.01
1932	6.66	60.16	28.28	4.89	0.01
1933	8.36	54.19	31.49	5.94	0.00
1934	8.46	42.80	40.70	8.03	0.01
1935	6.98	49.53	36.98	6.48	0.03
1936	11.02	47.36	38.09	3.52	0.01
1937	12.02	40.17	44.14	3.67	—
1938	13.48	52.33	31.49	2.69	0.01
1939	16.13	53.04	29.80	1.02	0.01

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[3] *Ibid., Lietuvos Uzsienio Prekyba* (Foreign Trade of Lithuania), Kaunas, volumes for 1929, 1932, 1925, and 1938.

failed to reveal any decided tendency toward increase or decrease.

Credit for the increase of exports of food products belongs to the Central Union of Dairy Coöperative Societies, Pienocentras, in the field of milk products, and to the "Maistas" Corporation in the field of meat products.

TABLE 41

SHIFTING OF COMMODITY GROUPS IN IMPORTS 1925–39

(Percent)

YEAR	LIVESTOCK	FOOD PRODUCTS	RAW AND SEMIFINISHED PRODUCTS	FINISHED GOODS	GOLD AND SILVER
1925	0.47	24.44	20.85	53.29	0.95
1926	0.04	18.61	26.88	54.25	1.19
1927	0.05	18.43	26.97	54.52	0.03
1928	0.03	17.43	26.86	55.59	0.09
1929	0.03	18.17	27.71	54.01	0.08
1930	0.09	12.44	26.97	60.48	0.02
1931	0.07	10.03	25.92	63.88	0.10
1932	0.02	10.27	29.41	60.03	0.27
1933	0.04	7.59	34.62	57.30	0.45
1934	0.03	8.02	35.25	56.27	0.43
1935	0.02	6.29	35.64	56.62	1.43
1936	0.05	5.98	36.15	56.63	1.19
1937	0.10	4.89	38.32	56.53	0.16
1938	0.02	5.04	35.21	59.49	0.24
1939	0.01	4.75	35.91	59.82	0.21

In the exports of Lithuania the commodity items involved are not as varied as they are in the imports. The foreign trade statistics of Lithuania for 1938 show that 1,125 separate items of goods were involved in imports while the export list contained only 500 separate items.

●439 Livestock is not of much importance in the list of imports; the volume is small, livestock being imported only for the purpose of improving Lithuania's breeding stock.

The food products group comprises, among other commodities, salted herring, rice, fruits, coffee, sugar, and salt. Within the period 1924–31 the most significant item of import in the food products group was sugar, which in 1924 amounted to 14.4 million litas. In the same year salted herring accounted for 5.7 million litas; fruits, 2.2 million litas; salt, 2.2 million litas; rice, 1.5 million litas; and coffee, 0.6 million litas. The imports in this group increased further, and in 1927 sugar accounted for 20.5 million litas; salted herring, 9.1 million litas; salt, 2.8 million litas; fruits, 2.1 million litas; rice, 1.8 million litas; and coffee, 1.0 million litas. In later years the value of these staples decreased, so that in 1936 herring amounted to only 3.3 million litas and in 1938, 3.9 million litas. The greatest decrease was in sugar imports, which in 1930 accounted for 31.7 million litas; in 1937, 0.14 million litas; and in 1938, 0.2 million litas. For the decrease in sugar imports credit is given to the local sugar refineries and to the development of domestic sugar-beet growing. The decrease in sugar imports affected the food products group imports so that its percentage value in the total imports decreased from 24.44 in 1926 to 4.75 in 1939. Salt imports do not show any major change; in 1936 such imports accounted for 1.7 million litas and in 1938 for 1.6 million litas.[4] The same may be said of the other merchandise in this group.

In the group of raw and semimanufactured products the most significant import items are fertilizers, metals, liquid fuels, petroleum products, coal, cement, and tobacco. In 1924 the imports of fertilizers accounted for 6.0 million litas; metals, 5.1; coal, 9.5; liquid fuel, 4.4; cement, 1.9; and tobacco, 1.5. Some of these items doubled in imports a few years later. In 1928 fertilizer imports accounted for 13.2 million litas; metals, 10.7; coal, 11.3; liquid fuel, 9.6; cement, 4.7; and tobacco, 3.2. In 1938 the imports were: fertilizer, 10.89 million litas; metals, 17.73; coal, 11.01; liquid fuel, 7.35; cement, 6.26; and tobacco, 1.65. Most of these items are very important necessities and cannot be replaced by substitutes or otherwise supplied. That is why the imports in this group increased from 20.85 percent of total import value in 1925 to 35.21 percent in 1939.

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[4] C.S.B., *Lietuvos Uzsienio Prekyba 1929* (The Foreign Trade of Lithuania in 1929) and volumes for 1933–1938.

Of manufactured goods imported by Lithuania, the most important are chemical products, textile goods, machinery, metal goods, automobiles, motorcycles, rubber products, and various types of apparatus. This group accounted for 53.29 percent of the total value of imports in 1925 and increased to 59.82 percent in 1939. This type of merchandise undoubtedly will retain its important position in the nation's foreign trade.

LITHUANIA'S FOREIGN TRADE ACCORDING TO COUNTRY

Germany and Great Britain in 1938 accounted for 66.18 percent of the exports and 53.30 percent of the imports of Lithuania. Important also in the foreign trade of Lithuania were Soviet Russia, Belgium, Czechoslovakia, Holland, France, Switzerland, Denmark, Sweden, Latvia, and the United States of America. These countries, together with the United Kingdom and Germany, in 1938 accounted for 95.19 percent of the total value of Lithuania's exports and 89.09 percent of her imports.

TABLE 42

THE DISTRIBUTION OF LITHUANIA'S FOREI
TRADE WITH RESPECT TO COUNTRIES
1925–38

(In Millions of Litas)

YEAR	UNITED KINGDOM		GERMANY		SOVIET RUSSIA		BELGIUM		CZECHOSLOVAKI	
	Exp.	*Imp.*	*Exp.*	*Imp.*	*Exp.*	*Imp.*	*Exp.*	*Imp.*	*Exp.*	*Imp.*
1925	58.6	20.9	123.2	143.0	6.4	4.1	2.5	2.5	2.4	13.8
1926	63.1	19.1	118.6	129.5	2.1	3.2	7.2	2.6	10.1	15.1
1927	61.1	17.9	126.8	141.2	1.1	6.4	4.9	3.2	3.8	13.9
1928	52.3	19.3	148.3	146.8	3.7	9.1	4.3	3.7	0.8	13.1
1929	57.4	26.0	195.9	150.2	1.3	13.1	4.3	5.3	0.9	19.3
1930	65.0	24.1	199.9	151.4	5.2	13.8	6.8	7.4	0.4	18.0
1931	90.4	19.7	125.4	130.7	8.3	17.2	10.7	7.9	0.2	19.6
1932	78.3	18.0	74.0	67.2	6.7	10.2	3.4	7.6	0.2	12.6
1933	71.6	24.3	52.5	51.0	2.7	7.8	4.5	7.5	1.3	8.6
1934	62.7	35.1	31.8	38.8	7.5	6.0	6.4	7.9	4.4	9.1
1935	69.5	47.9	5.4	14.7	13.1	13.6	11.9	4.9	5.6	9.2
1936	92.2	57.0	20.6	14.4	10.1	14.7	10.5	13.7	7.1	7.5
1937	96.6	59.3	34.5	46.4	11.1	17.9	7.8	16.7	7.0	6.9
1938	91.8	69.2	62.5	54.7	13.3	15.0	10.7	8.6	9.6	8.5

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HOLLAND		U.S.A.	
Exp.	*Imp.*	*Exp.*	*Imp.*
5.6	4.8	3.6	18.3
2.4	8.3	2.1	10.7
4.3	9.1	4.4	14.5
5.4	9.2	2.4	20.5
10.7	10.0	4.4	16.7
6.8	10.0	2.6	14.7
4.9	7.3	2.0	11.0
3.9	4.5	1.0	6.3
3.8	4.7	5.3	4.3
4.6	5.0	4.8	4.0
8.0	6.0	3.0	3.8
5.5	7.1	6.7	4.4
9.5	8.9	6.8	7.4
8.1	10.7	5.6	8.2

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TRADE WITH THE UNITED KINGDOM

Although the turnover in goods between Lithuania and the United Kingdom is not inconsiderable, comparatively speaking, there is no commercial treaty, as such, existing between the two countries. In lieu of a treaty there is an understanding arrived at through an exchange of notes in 1922 between the legation of the United Kingdom in Riga and the Ministry of Foreign Affairs of Lithuania. According to this arrangement each country enjoys the privileges provided by the most-favored-nation clause.[5] Of the exports of Lithuania, the United Kingdom was the second importer in 1925, having absorbed 24.15 percent of the total exports. This percentage decreased to 17.41 in 1929 and then rose to 48.38 in 1936. In 1938, 39.38 percent of Lithuania's exports went to the United Kingdom. In so far as imports are concerned, the United Kingdom does not enjoy as high a percentage as in the exports of Lithuania. For example, in 1925 the imports from Great Britain accounted for only 8.28 percent; they fell to 6.75 percent in 1928 and then rose to 37.28 percent in 1935. In 1938 the imports from the United Kingdom accounted for 30.93 percent. As stated above and as may be seen from Table 42, Lithuania's trade with the United Kingdom, having been in second place in 1925, advanced to first place in 1932 and held this position up to the outbreak of the war of 1939. The chief goods involved in the trade with the United Kingdom in recent years are listed in Table 43.

Forest products, raw wool, and cotton fabrics were the only items in the exchange of goods between Lithuania and the United Kingdom that did not show an increase in the period 1935–38.

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[5] *V.Ž. Nr. 231, eil. 1497.*

TABLE 43

COMMODITIES INVOLVED IN THE TRADE WITH GREAT BRITAIN 1935–38

(*In Thousands of Litas*)

A. EXPORTS	1935	1936	1937	1938
Total exports	69,514	92,153	96,581	91,824
Bacon	17,405	22,584	22,828	24,051
Butter	18,302	25,541	27,944	31,831
Eggs	1,387	3,660	3,914	4,647
Boards and planks	6,581	5,622	9,145	5,260
Woodpulp	4,570	4,908	4,867	4,329
Veneer	3,638	3,479	3,608	1,610
Flax and tow	5,177	12,434	12,921	12,524
B. IMPORTS				
Herring	2,148	3,224	2,345	3,541
Superphosphates	1,238	1,078	1,130	1,745
Sheet iron	900	1,398	1,506	2,042
Coal	5,252	6,178	7,686	8,452
Cement	1,430	1,512	2,141	4,748
Raw wool	1,633	1,675	2,177	1,524
Woolen yarn	3,648	6,406	6,753	7,534
Cotton yarn	5,210	6,208	5,943	5,306
Woolen fabrics	3,312	4,283	4,400	4,139
Cotton fabrics (raw and bleached)	1,125	1,300	1,325	1,006
Dyed cotton fabrics	3,971	6,406	4,890	3,906

TRADE WITH GERMANY

The trade treaty between Lithuania and Germany was concluded June 1, 1923, ratified July 31, 1924, and put in force May 5, 1926. This treaty expired February 22, 1929.[6]

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[6] *V.Ž. Nr. 173, eil. 1196.*

From the first years of Lithuania's independence, the dominating country in her foreign trade was Germany, but proper statistics up to 1925 are lacking. In 1925, 50.74 percent of Lithuania's exports went to Germany, while imports from Germany constituted 56.61 percent of Lithuania's total imports. In 1929 the exports to Germany rose to 59.40 percent, while at the same time exports to the United Kingdom fell to 17.41 percent.

The sharp decrease in Germany's share in the foreign trade of Lithuania, caused partly by the introduction in Germany of agrarian protectionist restrictions and partly by misunderstandings of a noneconomic character (the Klaipeda controversy) started in 1932,[7] when Germany tried to obtain political concessions through exerting economic pressure.

The lowest ebb was reached in 1935, with the exports accounting for 3.57 percent and imports for 11.40 percent. In 1936 a new trade treaty was concluded between Lithuania and Germany,[8] after which time the trade between the two countries received a new impetus.

The principal commodities involved in the foreign trade with Germany in recent years are given in Table 44. The total imports from Germany in 1938 amounted to 54,704,000 litas as compared with 46,381,000 litas in 1937 and 14,400,000 litas in 1936. Among the principal commodities imported from Germany in 1938, besides those listed in Table 44, were various fertilizers (3,194,100 litas), cement (968,400 litas), brass products (1,016,600 litas), dynamo machinery (1,228,900 litas), and bicycles (1,619,800 litas).[9]

[7] *Report*, p. 88.
[8] *V.Z., Nr. 552, eil. 3839.*
[9] *L.U. Prekyba 1938, pp. 567–613.*

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TABLE 44

COMMODITIES INVOLVED IN THE TRADE WITH GERMANY 1935–38

(In Thousands of Litas)

A. EXPORTS	1935	1936	1937	1938
Total exports	5,435	20,599	34,479	62,493
Live pigs	2	4,046	7,504	10,079
Live poultry	0.6	1,492	1,535	2,282
Beef	3	247	1,169	2,266
Slaughtered poultry and game	670	1,003	1,130	1,319
Butter	63	2,928	7,589	11,146
Eggs	4	542	1,532	2,304
Boards and planks	356	2,291	1,886	2,053
Flax and tow	35	1,384	923	5,893
B. IMPORTS				
Iron rails	—	4	1,661	62
Woolen fabrics	36	112	1,007	617
Cotton fabrics (dyed)	81	128	937	878
Factory machinery	331	316	1,714	1,740
Machine parts	516	502	1,232	1,857
Motor cars	16	122	1,137	1,233
Chassis	50	187	1,196	1,566
Scientific apparatus and instruments	239.5	359	981	1,145

TRADE WITH SOVIET RUSSIA

Although Soviet Russia is close to Lithuania, the exchange of goods between these two countries, up to the war of 1939, was comparatively small. The exports to Soviet Russia, which in 1925 accounted for 2.66 percent of Lithuania's total, in 1929 fell to 0.39 percent. From 1930 the volume of exports to Soviet Russia increased, reaching 8.59 percent in 1935, which ranked her third among countries importing from Lithuania. This place she retained until 1938, in which year exports to Soviet Russia amounted to 13,337,800 litas or 5.72 percent. The number of items exported to Soviet Russia was small, and of these the principal commodities were pigs and hides.

TABLE 45

COMMODITIES INVOLVED IN THE TRADE WITH SOVIET RUSSIA 1936–38

(In Thousands of Litas)

A. EXPORTS	1936	1937	1938
Total exports	10,087	11,056	13,338
Live pigs over 99 pounds (45 kgm)	7,092	8,645	10,908
Hides for soles	—	1,111	1,390
Calfskins	129	952	650
B. IMPORTS			
Total imports	14,737	17,896	14,954
Salt	1,134	1,048	1,039
Fertilizers	946	1,094	1,487
Lumber	3,017	3,359	2,032
Liquid fuel	3,149	2,936	3,236
Coal	1,231	1,619	1,407
Dyed cotton fabrics	887	958	973

In imports Soviet Russia held a somewhat better position. Thus, imports from Soviet Russia in 1925 accounted for 1.63 percent; in 1929 they rose to 4.28 percent and in 1935 to 10.55 percent. In 1938 the imports from Soviet Russia amounted to 14,954,400 litas, or 6.69 percent of the total imports of Lithuania.

● 439 According to the arrangement of September 24, 1928, concluded through an exchange of notes, each of these countries enjoyed the most-favored-nation treatment.[10] On August 29, 1931, a protocol was signed and notes were exchanged regarding the legal status of the commercial representatives of Soviet Russia in Lithuania and on the reciprocal transit communication. Before the occupation in 1940, Soviet Russia looked upon Lithuania, as well as upon the other Baltic states, as an area of competition between German and English capital.[11] After the outbreak of war in 1939, Soviet Russia apparently became interested in the competition between German and English capital, and stepped in as a third rival in preparation to occupy Lithuania. This was evident particularly from the fact that the Mutual Assistance Treaty of October 10, 1939, was followed by a commercial treaty, signed on October 16, 1939, according to which the turnover of goods between Lithuania and Soviet Russia was to be increased to 40 million litas. Conditions for the increase of trade with Soviet Russia seemed favorable, because of the Allied blockade of Germany and the latter's counterblockade, which, of course, jeopardized the trade between Lithuania and the Allies.

TRADE WITH BELGIUM

Trade with Belgium was regulated according to the Provisional Commercial Agreement of August 16, 1928. Belgium's share of Lithuania's exports, 1.01 percent in 1925, rose to 2.82 percent in 1928. Later the trade with Belgium increased to such an extent that in 1935 she took 7.82 percent of Lithuania's total exports and was the source of 3.84 percent of Lithuania's imports. In 1938 Belgium accounted for 4.58 percent of exports and 3.86 percent of imports. In 1938 the total exports to Belgium amounted to 10,675,700 litas, with rye, barley, oats, and vetch accounting for 6,179,500 litas. Imports from Belgium in 1938 amounted to 8,630,400 litas as against 16,749,600 litas in 1937. In the long list of goods imported, the largest item is pig iron, which in 1938 accounted for 4,056,600 litas as against 6,626,900 litas in 1937.

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[10] *V.Z. Nr. 285, eil. 1848.*

[11] Nauchno-Issledovatelskii Institut Monopolii Vneshnei Torgovli, *Torgovie Otnoshenia SSSR s Kapitalisticheskimi Stranami* (Trade Relations of U.S.S.R. with Capitalistic Countries), Moskva, 1938, p. 241.

TRADE WITH LATVIA

Trade with Latvia is regulated by the Commercial Treaty of April 10, 1935, and the Clearing Agreement of the same date.[12] The latter was amended by the arrangement of November 30, 1936, and ratified on December 14, 1936.[13]

In 1925 Latvia held third place in the exports of Lithuania, in that year accounting for 8.53 percent, and in the following year 10.46 percent. In later years Latvia's share in the trade of Lithuania had decreased until in 1938 it was only 1.17 percent of exports and 1.10 percent of imports. The leading item in exports to Latvia for several years was horses, in 1936 valued at 1,591,000 litas; in 1937, 706,900 litas; and in 1938, 1,208,100 litas.

The more important import items from Latvia were radios, accounting for 125,800 litas in 1938 as against 188,000 litas in 1937; bicycles, 169,400 litas in 1938; glass, 283,100 litas in 1938; and several kinds of machinery.

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[12] *V.Ž. Nr. 481.*

[13] *V.Ž. Nr. 562.*

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TRADE WITH THE UNITED STATES OF AMERICA

Trade with the United States was regulated by a special arrangement through "Exchange of notes between the United States of America and the Republic of Lithuania, embodying a commercial agreement between these States"[14] of December 23, 1925, ratified on March 24, 1926.[15] According to this arrangement, each party enjoys "unconditional most-

TABLE 46

COMMODITIES INVOLVED IN THE TRADE WITH THE UNITED STATES 1936–38

(In Thousands of Litas)

A. EXPORTS	1936	1937	1938
Total exports	6,696	6,848	5,624
Meat	1,755	1,993	2,498
Woodpulp	2,800	4,019	2,792
B. IMPORTS			
Total imports	4,386	7,383	8,236
Tobacco	491	392	297
Oil	357	567	767
Raw cotton	494	615	572
Automobile tires and tubes	98	158	254
Cotton fabrics (dyed)	57	553	288
Automobiles	108	707	1,058

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[14] Pranas Dailide, *Lietuvos sutartys su svetimomis valstybemis. Tomas I. 1919–1929.* (Collection of Treaties Concluded between Lithuania and Foreign States, Vol. I, 1919–1929), Kaunas, 1930, pp. 414–18.

[15] *V.Z. Nr. 231, eil. 1496.*

favored-nation treatment." Trade relations with the United States were begun in the early years of independent Lithuania. As far back as 1925 the imports of Lithuania from the United States amounted to 18,310,800 litas, or 7.25 percent, while the exports to the United States were only a fraction of this sum, namely 3,593,800 litas, or 1.48 percent. The percentage of exports to the United States in recent years increased somewhat, while that of imports decreased. Thus in 1936 the United States took 3.24 percent of the exports of Lithuania and sent 2.85 percent of the imports. In 1938 the exports of the United States to Lithuania amounted to 5,624,100 litas, or 2.41 percent, while the imports totaled 8,236,400 litas, or 3.68 percent.

Among the other countries trading with Lithuania the most noteworthy were: Czechoslovakia, which in 1938 received 4.13 percent of exports and 3.79 percent of imports; Holland, which in the same years sent 3.47 percent of imports and took 4.76 percent in exports; France, with 2.49 percent of imports and 3.17 percent of exports; and Switzerland, 2.20 percent of imports and 2.84 percent of exports.

6: Anonymous U-4, 5 (no date) 1938 RB5 Lithuanians RB5

121 *The following Report of the Chamber of Commerce, Industry and Crafts pursues the purpose of a concise and clear review of the history of the development of Lithuanian economy during the last ten years. With the exception of agriculture, it deals with all spheres of economics, i. e. industry, foreign and home trade, goods transport, the State finances, and credit conditions.*

433 *The synthesis of the dynamic of separate economic branches establishes the conclusion that Lithuanian political economy during the past ten years has achieved great progress. Although under the influence of the world economic crisis in the years 1932—1935 it suffered reverses or was at any rate hindered in its growth, the total balance of the ten years on an average shows a doubling of the real volume. Especially the years 1930—1931 and 1936—1937 were signalized by vigorous promotion and expansion periods. Whereas world economy in the autumn of 1937 once more revealed symptoms of a recession, in Lithuania the rising tendency continued.*

The greatest successes were achieved in the domain of industry; its production grew uninterruptedly also during the crisis and has on an average increased two and a half times. The liquidation of Free Trade and the confinement of separate politico-economic spheres within their national boundaries under the operation of the world economic crisis, as in other agrarian countries so also in Lithuania have contributed to intensification of the development of home industry.

●439 *The Lithuanian foreign trade turnover has suffered loss during the crisis as a result of the fall of prices. Its volume nevertheless remained even during the crisis years above the level of 1929. The introduction of the licence system facilitated the maintenance of the active general trade balance in the crisis years and regulation of the trade balance with individual countries.*

438 *In the domain of home trade, the growth of cooperative trade must above all be premised. Private trade is developing unequally; for while intermediary wholesale trade is receding,*

p. 4

433 chapter. In the following table are given the data on the production quantities of the most important branches; they fully confirm the accuracy of the development tendency expressed by the index figures.

Production Figures in Tons

	1931	1932	1933	1934	1935	1936	1937
Wheat and Rye Flour	57 465	54 963	.	48 294	50 576	53 858	48 867
Sugar	6.613	16 191	8 166	15 263	22 136	27 164	28 673
Sugar Wares	.	.	.	1 387	1 484	1 626	1 934
Bacon	19 894	26 869	21 376*)	12 675*)	8 809	10 539	10 153
Other Meat Products	9 770*)	7 660	7 642*)	9 000**)	16 485	16 933	12 858
Butter***)	8 141	10 289	9 854	10 728	13 190	15 835	16 994
Spirits (1000 litres)	3 315	3 016	3 070	2 717	2 723	2 942	5 502
Beer (1000 litres)	11 264	7 194	7 292	6 274	5 284	7 290	14 165
Tobacco (consumed raw tobacco)	983	867	763	697	665	768	769

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433 The fluctuations in flour production are naturally connected with the condition of the harvest. The falling-off in production in 1937 was caused by the serious deterioration of the harvest in 1936 in comparison with both preceding years.

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433 The youthful sugar industry which, as mentioned above, was first established in the autumn of 1931, had developed its activity to the full only by 1932, and thereby, concurrently with bacon production, brought about the rise of the index, notwithstanding the general crisis, by 16.5 points. After the fluctuations in 1933 and 1934, and in connexion with the opening of a second factory in 1935, our sugar production rose greatly in 1935 and 1936 and to-day, as is clear from the definite curtailment of imports shown in the chapter on foreign trade, fully covers the demand of the domestic market. This also explains the slackening of the further growth in 1937.

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234 The fluctuations and the recession of meat production which together with butter production belongs generally to the strongest export branches of Lithuanian economy, while the remaining branches mentioned above serve only the home market, are due to the import quotas and the preference policy of Great Britain, the most important export market for our meat products, vis-à-vis her Dominions. More detailed information 000

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*) Export quantity. In the case of bacon on an average 95% of the production is for export.

**) Estimated.

***) Production of the dairy cooperative societies.

on this subject is contained in the section on the trade turnover 000
of the „Maistas“ joint-stock company.

The butter production figures specified in the foregoing 234
tables relate only to the quantities supplied by the dairy coope- 439
ratives, which are used almost exclusively for export. Nearly 433
the entire domestic demand is covered by the home production of the farmers (the so-called country butter) which it is difficult to judge by statistics. The supply of export butter shows constant growth. In 1937 it doubled in round figures in comparison with 1931, which must be ascribed to the fact that it has held its ground on the world market better than bacon.

Spirit, beer, and tobacco production greatly receded during 274
the crisis. The last two years brought about, in connexion with 277
the general economic revival, a new upward trend; while of 433
course the doubling of beer production in 1937 is to be attributed to the reduction of the price in consequence of the lowering of the excise, and that of spirit supply in part to its compulsory admixture with petrol („Motorin“).

2. The Textile Industry

The textile industry is the second most important industrial 288
branch of Lithuania. It employs the largest number of workers 433
(in 1937, 20.7% of all industrial workers of Lithuania accrued to it); its share in the aggregate engine horse-power amounts to 9.3% and its share in the production value of all Lithuanian industry to over 14% (gross value, 14.9%; net value, 14.3%).

In the pre-war Lithuania, only approximately 300 workers [464]
were employed in this industrial branch. The development of textile undertakings since 1927 is shown by the following comparison:

	1927		1931			1938 (Jan)		1937 (July)
	No. of Concerns	No. of Workers	No. of Concerns	No. of Workers	Capacity of Engines in H. P.	No. of Concerns	No. of Workers	Capacity of Engines in H. P.
Total	55	1 403	60	2 287	2 475	79	7 162	11 673
Including								
Flax Treatment	16	468	10	374	607	10	1 201	1 845
Linen Weaving	3	112	3	200	1 868	5	728	
Others Textile Industry	36	823	47	1 710		64	5 233	9 828

288 433 This table discloses that all branches of the textile industry have appreciably grown since 1927; that the textile industry proper (weaving and spinning) has, however, made much greater progress than flax manufacture. This is explained by the dependence of the latter upon export, whereas the other branches serve only the home market.

Already in the previous chapter it was pointed out that the output of the textile industry since 1929 has shown an unbroken advance, and of all industrial branches of Lithuania has increased the most vigorously. For the sake of comparison with the quantities data, the production index, calculated on the basis of ad valorem amounts, is once more quoted as converted to the basis year 1931:

1931	1932	1934	1935	1936	1937
100.0	108.1	168.4	178.4	264.0	311.2

248 288 433 The statistical data on the production quantities of separate special branches are as follows:

	1931	1932	1934	1935	1936	1937
Flax and Tow (in tons)	4 550	5 509	1 335	4 331	5 207	5 857
Linen Yarns (in tons)	8.5	44.6	41.6	62.8	91.9	173.8
Cotton Yarns (in tons)	344.1	249.1	391.7	337.9	433.5	973.9
Woollen and Half-Woollen Fabrics (in 1000 metres)	838.8	722	1 335.3	1 384.4	2 466.1	2 411.1
Cotton Fabrics (in 1000 metres)	5 282,4	7 200	11 537.9	12 079.2	14 531.3	15 578.8
Silk Fabrics (in 1000 metres)	61.2	100.1	538.4	771.7	1 139.8	1 240.8

248 439 In regard to the flax manufacturing industry, it is interesting to compare the foregoing production quantities of machine-manufactured flax and tow with the total quantities of our flax exports in the relevant years. These are as follows (in tons):

1931	1932	1934	1935	1936	1937
7 710	8 989	10 187	10 427	19 677	16 087

248 433 From this comparison it can be seen that the machine-manufactured flax to-day constitutes only a small part of the total exported quantity, i. e. that flax manufactured by the farmers forms the greatest portion. Nevertheless the industrial production shows a relatively more stable course (with the exception of 1934) than the rural supply.

288 433 The production of the textile industry proper has since 1931 on an average quadrupled. A much more powerful development therein is shown by silk-weaving, which in 1937 produced in round figures twenty times as many silk fabrics as in 1931, owing to the fact that it forms the youngest branch of our textile industry and was founded exactly in 1931.

439 651 The growth of the textile industry was undoubtedly promoted by the tariff policy (increase of the Customs duty on cotton fabrics in October, 1931, and again in April, 1932, on woollen and cotton fabrics) as also by the licence system (the import of woollen fabrics has been subject to licence since the introduction of the licence system, i. e. since December, 1932; that of cotton and silk yarns since August, 1934). This found expression in the sharp decline in 1932 of the imports of ready-made fabrics by half in round figures of the earlier imported quantity. The textile industry undoubtedly represents, concurrently with the production of knitted goods, the Lithuanian industrial branch best protected by tariff policy, which also explains its rapid growth and the concentration of large-scale undertakings in this branch. Notwithstanding this indisputable fact, it must none the less be recognized that, on the one hand, tariff protection is not equally apportioned (thus, for example, the duties on silk fabrics actually on an average amount to approximately 200% ad valorem; on cotton fabrics over 60%; and on linen fabrics only 25%), and that, on the other hand, the high duties on yarns (especially on artificial silk yarn) partially equalize the advantage of the high duties on ready-made fabrics.

3. The Timber Industry

313 433 To the timber industry, which may be designated the third most important industrial branch of Lithuania, accrued in 1937 16.9% of all the workers employed in the medium and wholesale manufacturing industry; 10.5% of the engine horse-power;

4. The Paper and Polygraphic Industry.

289 433 464 From the standpoint of importance of its rôle in Lithuanian industrial economy, the paper and polygraphic industry stands in the fourth place. In 1937 there accrued to it 8.1% of all industrial workers; 18.1% of the engine horse-power; 8.4% of the gross value; and 10.8% of the net value of Lithuania's industrial production. According to net production value it ranked correspondingly before the timber industry in the third place. Its development since 1927 is illustrated by the following comparison:

	1927		1931			1937		
	No. of Concerns	No. of Workers	No. of Concerns	No. of Workers	Capacity of Engines in H. P.	No. of Concerns	No of Workers	Capacity of Engines in H. P.
Total	52	2 115	61	2 157	8 777	76	2 559	22 602
Including:								
Cellulose and Paper	5	1 133	4	829	8 143	4	1 180	21 675
Paper and Cardboard Wares	9	284	15	365	145	18	371*)	128
Printing Offices and Book-binderies	38	698	42	903	489	54	1 100	799

Already in an earlier chapter it was pointed out that the paper industry belongs to those branches that have grown least since 1929. The index cited therein shows that the paper industry suffered the greatest setback in the crisis years (in 1932 by 32.3%) and in 1937 exceeded its position of 1929 by only 48.8%.

The explanation given in the previous section for the retrogression of timber production holds good also for the [439] paper industry. The cause of the severe recession of the production index of the paper industry in the crisis years lies in the then curtailment of cellulose export (from 60 781 tons in 1929 to 39 384 tons in 1932) and in the high percentage share of cellulose supplies in the aggregate production of the paper

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*) Figures for January, 1938, because the July figures do not reflect the complete employment position.

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The development of the woven goods and footwear industry was successfully promoted by the tariff policy, i. e. especially by the Laws of October 1931 and August 1934. The woven goods production to-day entirely covers the demand of the home market, and on that account also the imports of foreign goods, which in 1928 still represented 173.3 tons, by 1937 had sunk to only 7.3 tons. The imports of leather footwear, thanks to the consolidation of native production, have also declined, although not by a long way to the same extent. In 1928, they amounted to 36.1 tons; in 1937, on the other hand, to 19.4 tons.

4. The Metal and Machinery Industry.

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The number of workers employed in the metal and machinery industry in 1937 amounted to 2 792 or 8.8% of all the industrial workers of Lithuania. Its share in relation to the total of the engine horse-power amounted to 3.7%; its share in relation to the gross production value to 5.2%; and in relation to the net production value to 6.4%. This industrial branch was in the pre-war Lithuania more highly developed than to-day. In 1913, in the present political territory of Lithuania approximately 4 000 workers were employed in the metal industry. The diminution of the scope of production is due to the curtailment of the outlet for export goods. Nevertheless, during the last two years one can again discern a rapid development tempo.

The comparative figures on the changes in structure since 1927 are shown as follows:

	1927		1931			1937		
	No. of Concerns	No. of Workers	No. of Concerns	No. of Workers	Capacity of Engines in H. P.	No. of Concerns	No. of Workers	Capacity of Engines in H. P.
Total	94	1 895	95	1 863	3 134	103	2 792	4 677
Including.								
Metal Industry	11	547	20	665	2 781	32	1 190	4 271
Machinery Industry and Means of Transport Production	16	528	19	722		14	1 059	
Mechanical Workshops and Sheet Metal Supply	62	772	51	422	353	46	414	406
Electro-Technical Concerns	5	48	5	34		10	109	

(b) Introduction of reduced seasonal duties on tropical fruits for the period from January 1 to June 1, on November 30, 1937 (Government Gazette, 592/4130). 651

Concurrently with the import duties, on many goods that are subject to export control, in case they are exported not in the prescribed packing or do not conform to the contemplated standard of quality, the export duties are raised and their export is not permitted respectively. The sole object of these measures is to support the fulfilment of standardization and to improve the quality of our export goods. Subject to export control are: Butter, eggs, meat, seeds, potatoes, apples, flax, linseed, casings, bristles, and crayfish. 439 ● 651

At the end of 1932, Lithuania was also obliged, in the wake of the import restrictions imposed by other countries, to place her imports under State control. This was effected through the Law of December 22, 1932 (Government Gazette, 401/2751) on the introduction of a licence system, first of all only for the import of 11 articles, i. e. sugar, salt, phosphates, iron, steel, tin, coal, cement, cotton threads and yarn, paper, cardboard, and woollen fabrics. This list of goods subject to licence was appreciably extended by later laws, chiefly by the Law of August 4, 1934 (Government Gazette, 453/3161), whereby the number of articles was increased to 46 and among them knitted goods and cotton fabrics were included; by the Law of February 6, 1935 (Government Gazette, 468/3282), and by the Law of February 15, 1936 (Government Gazette, 523/3631), so that to-day of the 216 articles of the Customs Tariff 134, but actually approximately 85% of the effective imports are subject to licence. 656 439

The introduction of the licence system in Lithuania had in view not by any means the stifling of import; it resulted rather only from regard to the structure of the trade-balance. Before the last economic crisis, i. e. at the time when world trade was still not subject to any import and currency restrictions, the question of trade-balances with individual countries played no great rôle because it was easily possible by means of an export surplus achieved with certain countries to equalize an import surplus recorded in trade with others. Ever since, however, foreign trade began to develop chiefly along compensation and accounting lines, the transference of balances has encountered difficulties. Thus in 1932, viz., the last year 457

457 before the introduction of the licence system in Lithuania, we had only two active and fourteen passive trade-balances with sixteen countries to which accrued approximately 85% of our foreign trade turnover. Thanks to the licence system, already in 1937 eight balances became active. This therefore shows us that the licence system successfully fulfils its purpose. The statistical data in regard thereto are later cited.

Later than elsewhere, for the first time at the end of 1935, likewise with a view to adaptation to the restrictions in force in most neighbouring countries, exchange control was introduced in Lithuania. The Regulations concerning this matter are contained in the Law on Transactions in Foreign Currency of October 1, 1935 (Government Gazette, 501/3480) and in the Decree regarding operations with foreign currency of November 14, 1935 (Government Gazette, 509/3537).

In connexion with exchange control, Lithuania has concluded special clearing agreements with several countries where currency business is also State controlled. Through the Lietuvos Bankas (Bank of Lithuania) accounting accounts are conducted to-day with Germany, Finland, Greece, Italy, Latvia, and Hungary.

148 With all the more important trade clients Lithuania has concluded politico-commercial agreements. The following list
439 comprises a comparison of all the ratified and at present valid commercial agreements of Lithuania with 21 States:

List of the existing Valid Commercial Agreements of Lithuania with other Countries.

1. **Belgium - Luxemburg:**

(a) Provisional Commercial Agreement of August 16, 1928 (Government Gazette, 289/1897).

(b) Arrangement on the application of the foreign Commercial Agreement also to the Belgian Congo and the Belgian mandated territory of Ruanda-Urundi, of February 10, 1936, ratified on February 29, 1936 (Government Gazette, 524/3636).

2. **Brazil:**

Provisional Commercial Agreement of September 28, 1937 (Government Gazette, 599/4198).

3. Denmark and Iceland:

(a) Commercial and Navigation Treaty with Denmark of March 21, 1930, ratified on March 14, 1931 (Gevornment Gazette, 352/2405).

(b) Commercial and Navigation Treaty with Iceland, of March 21, 1930, ratified on March 14, 1931 (Government Gazette, 352/2406).

4. Germany:

(a) Commercial and Navigation Treaty of October 30, 1928, ratified on February 12, 1929 (Government Gazette, 295/1951).

(b) Goods Agreement of August 5, 1936.

(c) Accounting Agreement of August 5, 1936 (both published in Government Gazette, 552/3839).

(d) Agreement on small frontier communication of August 5, 1936 (Government Gazette, 552/3840); all three Agreements ratified on August 21, 1936.

(e) Arrangement on the extension of the duration of validity of the Economic Agreement of August 5, 1936, signed on June 19, 1937, ratified on August 2, 1937 (Government Gazette, 584/4061).

(f) Arrangement on the extension of the duration of validity of the Economic Agreement of August 5, 1936, signed on June 25, 1938, ratified on July 30, 1938 (Government Gazette, 617/4366).

5. Estonia:

Commercial Agreement of January 13, 1934, ratified on April 22, 1934 (Government Gazette, 443/3101).

6. Finland:

(a) Provisional Commercial Agreement of October 6, 1928, in force since October 15, 1928 (Government Gazette, 289/1898).

(b) Agreement on the extension of the most-favoured-nation treatment of June 21, 1932, in force since October 1, 1932 (Government Gazette, 398/2731).

(c) Clearing Agreement of April 12, 1938, ratified on May 31, 1938 (Government Gazette, 611/4308).

7. **France:**

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(a) Modus Vivendi of July 18, 1928, in force since August 15, 1928 (Government Gazette, 283/1810).

(b) Appended Agreement to Modus Vivendi of April 9, 1932, ratified on June 28, 1932 (Government Gazette, 387/2661).

(c) Extension of Modus Vivendi to the French colonies and protectorates, of September 21, 1935 (Government Gazette, 511/3543).

8. **Great Britain:**

(a) Commercial Agreement of May 6, 1922, in force since May 6, 1922, together with Exchange of Notes on its application to the British colonies and protectorates, of April 24 and September 29, 1923, in force since September 29, 1923, ratified on March 24, 1926 (Government Gazette, 231/1497).

(b) Exchange of Notes on the application of the above Commercial Agreement to Canada, of July 17 and August 31, 1928, in force since September 15, 1928 (Government Gazette, 283/1811).

(c) Exchange of Notes on the application of the foregoing Commercial Agreement to India, Ireland, South Africa, Australia, New Zealand, and Tasmania, of December 11 and 12, 1928, („Lietuvos sutartys su svetimomis valstybėmis" — Treaties of Lithuania with foreign States) — International Treaties, No. 95).

(d) Commercial Treaty of June 6, 1934, ratified on July 17, 1934 (Government Gazette, 454/3162).

(e) Exchange of Notes of February 6, 1935, on the rectification of the Customs duties on oranges in the Commercial Treaty of June 6, 1934 (Government Gazette, 482/3372).

9. **Holland:**

Commercial Agreement of June 10, 1924, ratified on March 24, 1926 (Government Gazette, 231/1503).

10. **Italy:**

Commercial Agreement of September 17, 1927, ratified on January 17, 1928 (Government Gazette, 270/1746).

11. **Japan:**

Commercial and Navigation Treaty of May 2, 1930, ratified on June 9, 1931 (Government Gazette, 371/2537).

12. **Latvia:**

(a) Commercial Treaty of April 10, 1935, ratified on April 13, 1935 (Government Gazette, 481/3367).

(b) Clearing Agreement of April 10, 1935, ratified on April 13, 1935 (Government Gazette, 481/3368).

(c) Appended Arrangement to the Clearing Agreement of November 30, 1936, ratified on December 14, 1936 (Government Gazette, 562/3898).

13. **Norway:**

Commercial and Navigation Treaty of December 21, 1923, ratified on July 31, 1924 (Government Gazette, 172/1195).

14. **Portugal:**

Commercial Agreement of April 12, 1932, ratified on May 11, 1932 (Government Gazette, 384/2648).

15. **Rumania:**

Commercial Agreement of March 28, 1931, ratified on June 9, 1931 (Government Gazette, 362/2473).

16. **Sweden:**

(a) Commercial Agreement of February 17, 1924, ratified on March 24, 1926 (Government Gazette, 231/1505).

(b) Arrangement on Certificates of Origin, of July 1, 1937, in force since August 1, 1937 (Government Gazette, 587/4093).

17. **Switzerland and Lichtenstein:**

(a) Provisional Commercial Agreement of October 28, 1922 and

(b) Exchange of Notes on its application to Lichtenstein, of March 15, 1925, ratified on March 24, 1926 (Government Gazette, 231/1506).

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18. **Czecho-Slovakia:**

Commercial Agreement of April 27, 1923, ratified on October 26, 1923 (Government Gazette, 144/1030).

19. **Hungary:**

(a) Commercial and Navigation Treaty of May 16, 1929, ratified on November 12, 1929 (Government Gazette, 314/2118).

(b) Accounting Agreement of November 12, 1937, ratified on December 30, 1937 (Government Gazette, 597/4170).

20. **U. S. S. R.:**

(a) Arrangement on the reciprocal granting of most-favoured-nation treatment, of September 24, 1928 (Government Gazette, 285/1848).

(b) Protocol and Exchange of Notes on the legal status of commercial representatives of the U. S. S. R. in Lithuania and on the reciprocal transit communication of August 29, 1931, ratified on September 20, 1931 (Government Gazette, 306/2499).

21. **United States of America:**

Commercial Agreement of December 23, 1925, ratified on March 24, 1926, in force since July 10, 1926 (Government Gazette, 231/1496).

Trade negotiations are at present proceeding with several other nations, including Turkey, the Argentine, and latterly with Poland.

As regards the contents of the above enumerated agreements, it should be noted that they all without exception contain the most-favoured-nation clause. Nevertheless the most-favoured-nation treatment which, on the part of Lithuania, is assured to the other countries, does not extend to the concessions which Lithuania grants to both the other Baltic States, i. e. Latvia and Estonia.

[651] Reduced treaty Customs duties have been arranged only with Latvia, Estonia, France, and Great Britain.

The overwhelming majority of the commercial agreements quoted in the above list were concluded during the last ten years. An impetus to accelerated conclusion of commercial agreements with Lithuania was imparted by the introduction of the Extraordinary Tariff through the Law of September 24, 1928 (Government Gazette, 284/1828), whereby goods from non-treaty countries are subject to a double duty on import into Lithuania. Through the later Law of December 22, 1931, (Government Gazette, 372/2544) this Tariff was raised to 300% of the ordinary Customs levies. In connexion therewith an important rôle in the imposition of import duties is played by certificates-of-origin, which must prove that the goods proceed from a country to which the increased duties are not applied. Certificates-of-origin are recognized as legally correct if they are drawn up by the Lithuanian diplomatic and consular representatives abroad or by the chambers of commerce, chambers of agriculture and custom-houses of the country of origin. With Estonia, Italy, Latvia, Sweden and the U. S. S. R. special arrangements on this subject have been effected as the result of which certificates-of-origin drafted by other public bodies are recognized as valid. In lieu of certificates-of-origin, other documents (invoices, bills-of-lading, &c.) may also be submitted, which, however, must be legalized by the Lithuanian representation abroad. Legalization is also required for all certificates-origin which are drawn up in respect of goods intended for re-export, originating from third countries, with the exception of Germany, where certification may be effected through chambers of commerce and agriculture or through a custom-house.

For mail parcels no certificates-of-origin are demanded, if the article is sent direct from the country of origin.

Besides the above enumerated commercial agreements, Lithuania has concluded special compensation arrangements with various countries, including Belgium, Denmark, Germany, Great Britain, Holland, Switzerland, and the U. S. S. R. These are renewed annually, and the scope of reciprocal goods traffic and the import quotas respectively determined.

In the goods agreement with Germany the creation of an arrangement unknown in erstwhile politico-commercial practice, i. e. a mixed economic commission, has been provided for, which is to superintend the development of goods traffic at periodical conferences. This new arrangement appears to have justified itself.

2. General Trade Balance.

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A summarized statement of the development of Lithuania's foreign trade during the last ten years is afforded by the following table:

Lithuania's Foreign Trade from 1928—1937, in Million Litas.

Year	Turnover	Exports	Imports	Balance
1928	548.0	256.9	291.1	—34.2
1929	636.3	329.8	306.4	+23.4
1930	646.2	333.7	312.4	+21.3
1931	551.0	273.1	277.9	— 4.8
1932	356.0	189.1	166.9	+22.2
1933	302.4	160.2	142.2	+18.0
1934	285.9	147.2	138.7	+ 8.5
1935	280.9	152.3	128.6	+23.7
1936	346.5	190.5	156.0	+34.5
1937	420.9	208.3	212.6	— 4.3

We see from these figures that the value peak level of Lithuania's foreign trade turnover, i. e. for both export and import, was reached in 1930. The following years brought a recession, which lasted, as to exports, until 1934, and as to imports, until 1935. During the last two years fresh activity has set in, whereby imports have risen somewhat more rapidly than exports.

With the exception of 1928, 1931, and 1937, the trade balance was active. The total balance for all ten years together is likewise active and amounts to 108 300 000 litas. The passive balance of 1937 is due to the fact that in consequence of the intensive swing of Lithuanian economy and the stimulation arising therefrom of the demand of the home market, our imports of both raw materials for industry and of ready-made goods for consumption, have grown more rapidly than exports.

The above-mentioned ad valorem recession of the Lithuanian foreign trade turnover from 1931—1935 probably derives from the general crisis of world trade, but it displays a far more favourable development than the latter. The recession of Lithuania's foreign trade first set in in 1931, and was nothing like so severe as that of world trade. This is clearly shown by the following comparison of the relevant figures (world trade figures according to the data of the League of Nations „Bulletin mensuel de statistique“):

The Ad Valorem Development of World Trade and of Lithuania's Foreign Trade in Indices (1929=100).

	1930	1931	1932	1933	1934	1935	1936	1937
World (gold value)	81.0	57.9	39.1	35.2	33.9	34.7	37.4	46.2
Lithuanian (in Litas)	101.5	86.6	55.9	47.5	44.9	44.1	54.4	66.1

We see from the above that in 1937 world trade ad valorem was less than half the level of 1929, whereas the recession of Lithuania's foreign trade amounted to only one-third. The difference in the incidence of the nethermost level (World, 1934; Lithuania, 1935) was not due to contingent but politico-commercial causes, viz., the conflict with Germany.

A still more favourable picture of the development of Lithuania's foreign trade is given by an examination of the volume of trade. The severe ad valorem recession of world trade has notoriously been occasioned not so much by the shrinkage of the quantities as, in the first place, by the decline of prices. The index of trade prices in gold, also calculated by the Statistical Section of the League of Nations, shows the following figures:

1930	1931	1932	1933	1934	1935	1936	1937
87.0	67.5	52.5	46.5	43.5	42.5	43.5	47.5

Taking the foregoing price indices as a basis, we can easily calculate that, expressed in the prices of 1929, Lithuania's foreign trade turnover would demonstrate the following sums (in million litas):

1930	1931	1932	1933	1934	1935	1936	1937
742.8	816.3	678.1	650.3	657.2	660.9	796.5	886.1

We have purposely used for this conversion the gold price-index of the League of Nations and not the Lithuanian price-

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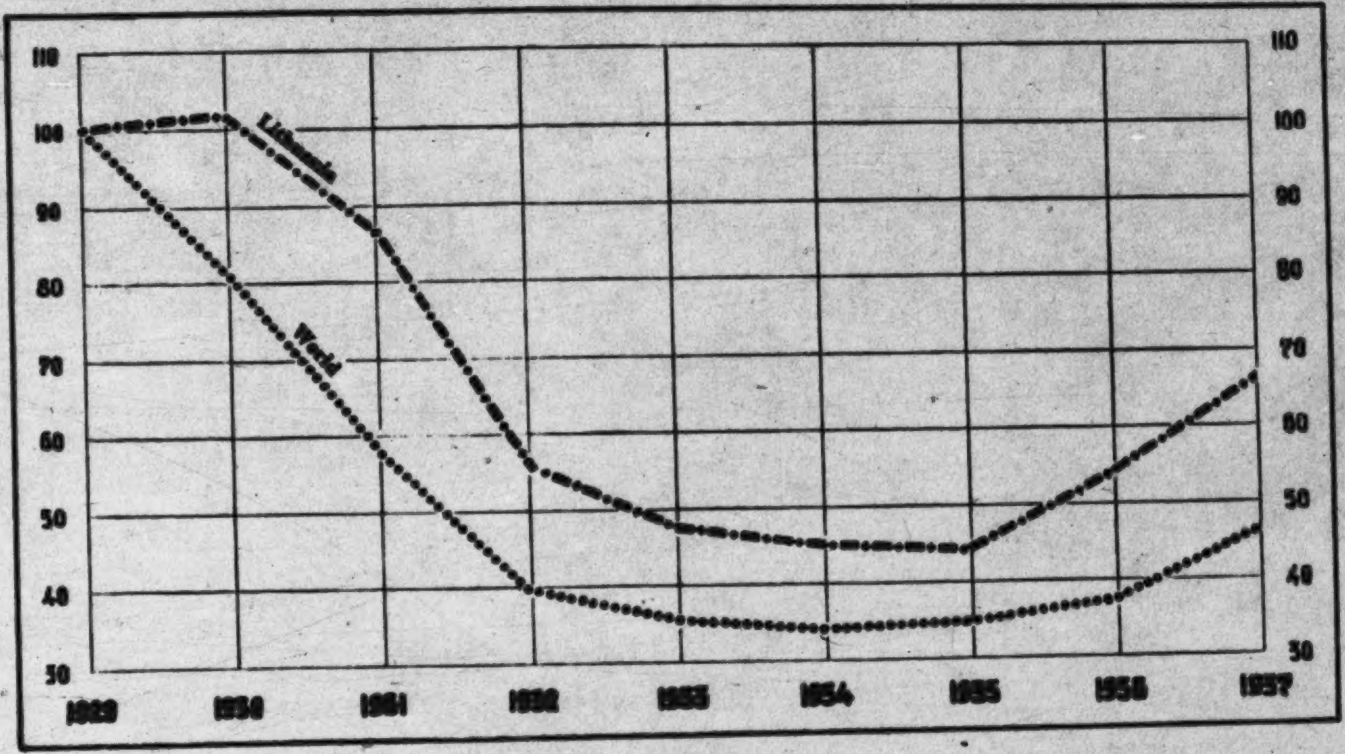
Diagram No. 3. The ad valorem Development of World Trade and of Lithuania's Foreign Trade in Indices (1929=100).



index, because the latter is calculated on the basis of the retail prices of the home market, and for foreign trade the world market prices are authoritative.

On the basis of the foregoing figures we can now deduce a comparison between the quantitative movement of world trade and that of Lithuania's foreign trade (the figures for the volume of world trade are taken from the League of Nations statistics):

The Development of the Volume of World Trade and of Lithuania's Foreign Trade in Indices (1929=100).

	1930	1931	1932	1933	1934	1935	1936	1937
World	93.0	85.5	74.5	75.5	78.0	82.0	85.9	97.5
Lithuania	116.7	128.3	106.6	102.2	103.3	103.9	125.2	139.3

These index figures show us that the development of the quantitative scope of Lithuania's foreign trade from 1932—1935 was, of course, checked in its growth by the influence of the world trade crisis, but that, nevertheless, the scope of Lithuania's foreign trade, even at its nadir in 1933, remained above the position of 1929, and during the entire crisis did not once fall below it. Whereas the volume of world trade even in 1937 could not yet again attain the position of the earlier high trend, Lithuanian foreign trade had already exceeded it by nearly 40%.

In the operation of the development, indicated above, of Lithuania's foreign trade, Lithuania's share in world trade during the last decade has also grown appreciably, i. e. by 75%. This is shown by the following table:

Lithuania's Share in World Trade from 1928—1937 (in Percentages).

1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
In World Trade Turnover									
0.08	0.09	0.12	0.14	0.14	0.13	0.12	0.12	0.14	0.14
In World Export									
0.08	0.10	0.13	0.15	0.15	0.14	0.13	0.14	0.16	0.14

In World Import

0.08 0.09 0.11 0.13 0.12 0.11 0.12 0.10 0.12 0.14

Lithuania's share in world export of several separate goods shows, moreover, a considerably higher percentage than the above-quoted figures, and a still greater increase during recent years.

Lithuania's Share in World Export of Several Goods
(In Percentages)

	1929	1930	1931	1932	1933	1934	1935	1936	1937
Flax	2.84	3.23	2.91	3.30	2.61	3.64	3.42	5.69	4.66
Live Pigs	3.35	5.23	4.07	1.82	1.41	3.28	6.24	5.53	6.60
Bacon	0.07	0.86	3.18	4.35	4.48	3.22	2.40	2.93	2.63
Butter	0.79	1.38	1.52	1.82	1.67	1.62	1.98	2.35	2.50

All these figures attest in a convincing manner the success of our foreign trade.

3. The Structure of Export and Import.

The inner structure of Lithuanian export and import during the last ten years, i. e. its division according to commodity groups, is evident from the following two tables.

I. Lithuanian Export from 1928—1937 according to Commodity Groups.

Year	Live Animals		Comestibles		Raw Materials & Semi-Manufactures		Ready-made Goods	
	Mil. Lt.	%	Mil. Lt.	%	Mil. Lt.	%	Mil. Lt.	%
1928	35.0	13.6	56.2	21.9	146.0	56.8	19.5	7.6
1929	62.1	18.8	74.9	22.7	170.0	51.5	22.6	6.9
1930	70.1	21.0	131.5	39.4	119.5	35.8	12.6	3.8
1931	35.8	13.1	156.7	57.4	67.0	24.6	13.4	4.9
1932	12.6	6.7	113.8	60.2	53.5	28.3	9.2	4.9
1933	13.4	8.4	86.8	54.2	50.4	31.5	9.5	5.9
1934	12.4	8.5	63.0	42.8	59.9	40.7	11.8	8.0
1935	10.6	7.0	75.4	49.5	56.3	37.0	9.8	6.5
1936	20.9	11.0	90.2	47.4	72.6	38.0	6.7	3.5
1937	25.0	12.0	83.7	40.2	91.9	44.1	7.6	3.7

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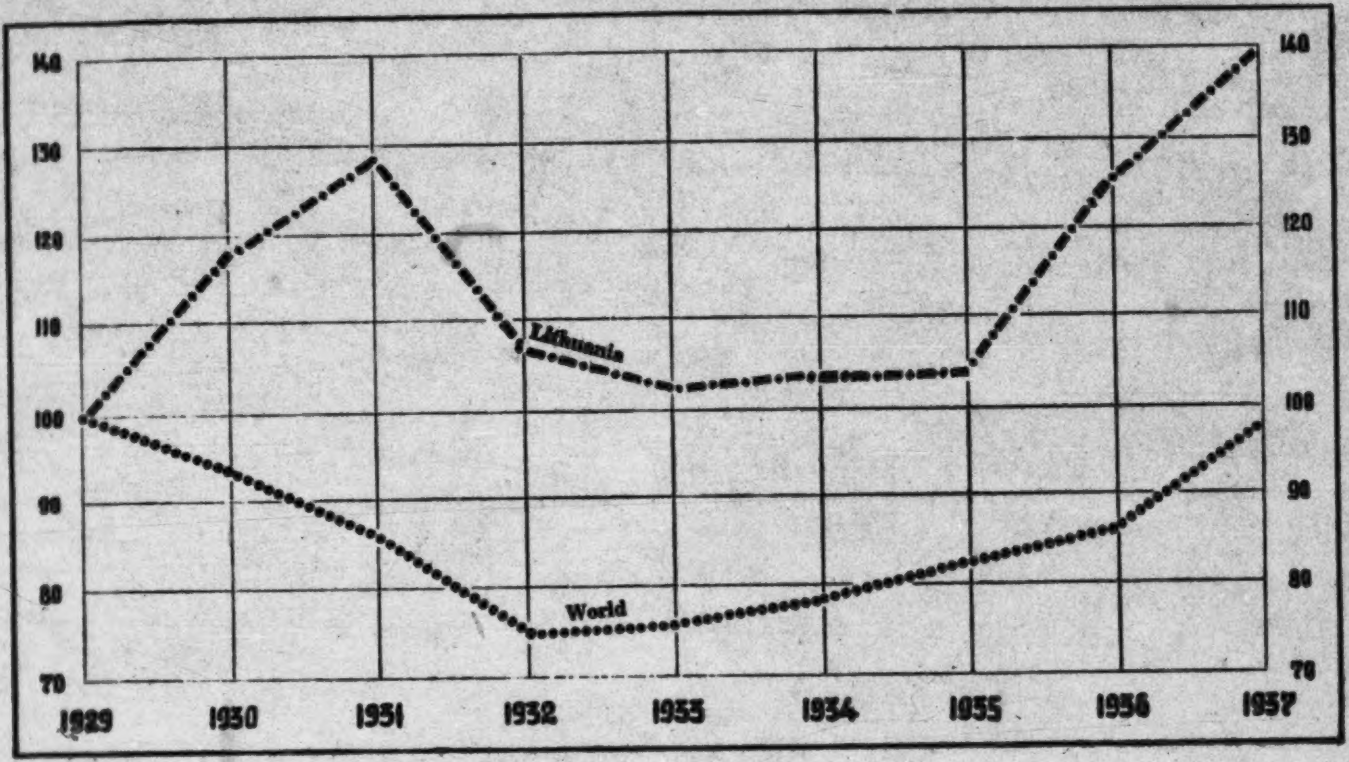
The Development of Volume of World Trade and of Lithuania's Foreign Trade in Indices (1929=100).

Diagram No. 4.



II. Lithuanian Import from 1928—1937 according to Commodity Groups.

Year	Live Animals		Comestibles		Raw Materials & Semi-Manufactures		Ready-made Goods	
	Mil. Lt.	%	Mil. Lt.	%	Mil. Lt.	%	Mil. Lt.	%
1928	0.1	0.03	50.9	17.4	74.7	25.7	165.1	56.7
1929	0.1	0.03	55.6	18.1	85.0	27.8	165.4	54.0
1930	0.3	0.09	38.9	12.4	84.2	26.9	188.9	60.5
1931	0.2	0.07	27.9	10.0	72.0	25.9	177.6	63.9
1932	0.03	0.02	17.1	10.3	49.1	29.4	100.2	60.0
1933	0.05	0.04	10.8	7.6	49.2	34.6	81.5	57.3
1934	0.03	0.03	11.1	8.0	48.9	35.2	78.0	56.3
1935	0.02	0.02	8.1	6.3	45.8	35.6	72.8	56.6
1936	0.08	0.05	9.3	6.0	56.4	36.1	88.4	56.6
1937	0.2	0.1	10.4	4.9	81.5	38.3	120.2	56.5

The first table shows that to-day approximately half the Lithuanian export accrues to cattle and foodstuffs; more than two-fifths consists of industrial raw materials. During the crisis years the exports of raw materials receded far more rapidly than those of comestibles, which caused the collapse of the percentage share of raw materials from 56.8% in 1928 to 24.6% in 1931, whereas simultaneously the percentage share of comestibles rose nearly three times. In connexion with the revival of world economy, the share of raw materials has again grown, without, however, attaining the pre-crisis position, which has been occasioned alike by the development of the Lithuanian foodstuffs industry and the heightened demand of the home market for raw materials in connexion with the expansion of domestic industry. The fluctuations in the share of live animals are attributable chiefly to the former stagnation of exports to Germany.

The structural changes of import, which the second table illustrates, show an appreciably more regular development than that of export. The explanation of this phenomenon may lie in the fact that export is to a far greater degree dependent upon contingent fluctuations of the world market and is with much greater difficulty amenable to State interventionist measures than import, which is closely associated with the economic development of the home country. The above-quoted figures reflect the influence of her imports: whereas the percentage share of foodstuffs and luxury goods constantly falls, owing to the rise of home production (sugar, &c.), the share of individual raw materials has risen almost without intermission, even during the period of crisis, since 1931. The imports of ready-made goods have ad valorem and especially quantitatively, in consequence of the increased consumption in recent years, absolutely grown considerably, but their percentage share in the total imports has remained unchanged.

4. Analysis of Export according to Goods.

In conformity with the agrarian character of the country, Lithuania exports almost exclusively agricultural products. Lithuanian exports are therefore confined chiefly to a few commodities which, thanks to this circumstance, attain a relatively large percentage share on the world market, as has already been shown above. To the six principal export articles, i. e. live pigs, bacon, butter, flax, timber material, and cellulose, pertain approximately three-quarters of the total export. Divided according to separate economic branches, in the exports of 1937 the commodity ratios were as follows:

Cattle and Poultry Breeding	115.5	mil.	Lt	or	55.4%
Including:					
Pig-breeding	45.1	„	„	„	21.6%
Dairy-farming	42.1	„	„	„	20.2%
Poultry-farming	9.8	„	„	„	4.7%
Forestry	50.3	„	„	„	24.1%
Including:					
Sawn Timber	16.5	„	„	„	7.9%
Cellulose	14.9	„	„	„	7.1%
Vegetable Growing	37.7	„	„	„	18.1%
Including:					
Flax and Linseed.................	31.1	„	„	„	14.9%
Total:	203.5	„	„	„	97.6%

The development of the export of separate commodities during the last ten years is shown in the attached Table No. 3.

439 On the strength of these figures we may conclude that this development in relation to separate commodities proceeds unevenly. Thus, for example, the export of horned cattle in recent years has very greatly receded and in 1937 reached lees than a tenth of the position in 1928. On the other hand, the export of butter during the same period has simultaneously risen about sixfold. The export of live pigs from 1932—1934 considerably receded, but during the last three years has again risen far above the position of 1928. The export of meat, wherein that of bacon has the biggest share, increased approximately sevenfold from 1928—1932, but has since suffered a loss of more than half the position attained in 1932. The export of live poultry maintained a high position until 1933, and since then has receded about two-thirds. Egg export, after the stagnation from 1933—1935, again shows a rising tendency and has gone beyond the position of 1928. Grain export forms a particularly uncertain item of Lithuanian export. In years of good harvest it amounts to over a hundred thousand tons, but when the harvest is bad, it is wholly discontinued or even prohibited. Timber export suffered recessions in 1931, 1932, and 1935; otherwise it remains fairly favourable. In 1937 it stood above the position of 1928, but below that of 1929. More favourable was the development of the export of cellulose and of ready-made wood wares, which since 1934 has stood above the position of 1928 and constantly rises. Flax export, under the influence of the world economic crisis, has suffered very severely. From 1928—1933 it receded by half in round figures. Since 1934, however, it has again increased nearly twofold, and has gone beyond the position of 1928 by approximately 50%, but in connexion with the fall of prices on the world market towards the end of 1937, a new stagnation made itself felt.

Briefly summarizing we may say that the relatively favourable course of the development of Lithuanian export during the world economic crisis has to thank the advance of dairy-farming and the meat working-up industry. It has already been mentioned in the preceding chapter that these are concentrated in both the leading dairy-farming organizations of Lithuania, viz., „Pienocentras“ and „Maistas“. Their great rôle in export trade will be discussed in the following section.

Table No. 3.

The Most Important Commodities of Lithuanian Export from 1928—1937.

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Commodities	1928		1929		1930		1931		1932		1933		1934		1935		1936		1937	
	to	Mil. lt	to	Mil. lt	to	Mil. lt	to	Mil. lt	to	Mil. lt	to	Mil. lt	to	Mil. lt	to	Mil. lt	to	Mil. lt	to	Mil. lt
I. Live Animals:																				
Horses in 1000	21.2	9.8	20.7	11.4	20.8	10.3	10.4	5.5	8.7	2.3	17.0	4.3	17.4	4.7	15.3	3.4	14.9	5.6	13.4	4.9
Horned Cattle in 1000	28.1	7.5	39.9	14.5	36.2	12.9	19.5	6.0	16.4	2.5	11.8	2.5	9.3	2.0	0.3	0.1	4.1	1.6	2.5	1.4
Pigs in 1000	44.5	11.5	100.2	28.9	156.0	38.7	109.5	19.3	33.7	2.9	21.7	2.7	46.1	5.2	104.8	7.1	116.9	11.7	137.7	16.3
Poultry in 1000	571.7	6.0	626.6	6.9	720.0	7.8	714.0	4.9	854.7	4.8	766.7	3.9	161.0	0.5	0.3	0.0	246.1	1.5	250.5	1.5
II. Comestibles:																				
Meat (fresh, bacon, &c.)	1 959	6.8	5 394	18.8	13 340	47.9	29 664	81.6	34 905	56.8	29 018	53.4	17 908	37.2	14 495	23.7	15 540	29.8	15 574	31.1
Butter	2 643	20.3	4 084	31.4	7 357	46.9	8 705	47.2	9 926	41.8	9 580	22.9	9 671	14.7	12 154	24.4	14 629	35.2	15 058	41.4
Eggs	3 502	14.4	2 985	12.8	2 958	11.9	3 279	10.0	2 462	6.3	1 560	3.3	1 046	1.7	1 511	2.1	3 793	4.9	4 228	5.9
Grain	5 233	2.8	1 750	0.6	34 315	9.3	22 691	6.2	2 273	0.6	2 321	0.6	17 150	2.7	150 193	17.4	120 810	12.2	2	—
Leguminous plants	6 987	3.3	4 313	1.9	5 657	1.7	8 172	2.2	3 687	0.9	4 313	0.9	8 069	1.7	11 830	3.0	9 752	2.3	5 795	1.6
III. Raw Materials & Semi-manufactures:																				
Raw Hides & Furs	4 465	17.8	2 779	16.0	1 992	8.3	1 364	4.8	1 868	3.0	3 235	3.4	2 657	3.6	2 316	3.5	1 432	4.5	1 728	6.2
Animal Hair & Feathers	213	2.1	228	3.7	167	2.4	138	1.4	154	1.1	167	0.9	151	0.8	179	1.2	243	1.4	251	1.8
Seeds	8 269	9.3	25 764	26.7	21 598	17.9	12 555	9.6	9 202	5.9	7 062	3.4	8 859	6.2	15 833	8.6	26 008	10.9	22 979	11.2
Timber	271 710	33.6	354 960	44.8	268 760	29.1	144 269	15.3	150 659	11.9	290 774	16.1	331 980	19.7	182 205	16.5	232 583	17.6	282 292	20.5
Cellulose	47 880	26.9	60 781	38.3	53 898	32.6	36 173	21.1	39 384	19.4	47 751	15.8	57 334	14.6	52 189	10.3	57 206	10.6	68 621	14.8
Flax	13 176	46.6	11 530	32.1	10 198	19.6	7 710	9.1	8 989	9.1	6 459	7.2	10 187	11.2	10 427	14.1	19 677	25.1	16 087	24.0
IV. Ready-made Goods:																				
Leather	6	0.2	14	0.4	38	0.5	233	3.1	171	2.2	266	1.9	380	2.7	203	1.6	15	0.2	317	1.2
Timber Products	8 466	12.8	9 126	16.7	4 816	8.1	5 124	7.1	3 946	4.5	5 903	5.8	9 819	8.3	11 532	6.5	9 240	5.2	13 085	5.9

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Table No. 4.

The Export of Several more Important Commodities according to Countries.

	1928		1929		1930		1931		1932		1933		1934		1935		1936		1937	
	to	%	to	%	to	%	to	%	to	%	to	%	to	%	to	%	to	%	to	%
Live Pigs, Number	44 524	100	100 249	100	156 030	100	109 491	100	33 669	100	21.768	100	46.130	100	104 832	100	116 952	100	137 675	100
Of which to:																				
U.S.S.R.	—	—	—	—	5 261	3	11 788	10	—	—	—	—	23 360	51	99 172	95	89 927	77	91 946	67
Germany	41 643	93	94 629	94	148 211	95	97 367	89	28 200	84	8 769	40	9 421	20	31	0	23 897	20	44 206	32
Bacon	150	100	316	100	4 104	100	18 157	100	25 132	100	21 376	100	12 675	100	8 605	100	10 267	100	9 878	100
Of which to:																				
Great Britain ..	150	100	316	100	4 048	99	18 157	100	25 132	100	21 041	98	12 675	100	8 567	99	10 158	99	9 857	99
Butter	2 643	100	4 084	100	7 357	100	8 705	100	9 926	100	9 580	100	9 671	100	12 154	100	14 629	100	15 058	100
Of which to:																				
Great Britain ..	168	6.4	672	16.4	1 304	17.7	2 052	23.4	3 777	38.1	5 503	57.4	7 432	76.8	9 234	75.9	10 806	73.9	10 299	68
Germany	2 395	90.6	3 308	80.9	5 863	79.7	5 855	67.3	5 485	55.3	3 016	1.2	414	4.3	837	6.9	1 215	8.3	1 233	8
Palestine	—	—	—	—	0	0	0	0	0	0	120	31.5	172	1.8	26	0	990	6.7	2 554	17
Flax	13 176	100	11 530	100	10 198	100	7 710	100	8 989	100	6 459	100	10 187	100	10 426	100	19 673	100	16 088	100
Of which to:																				
Great Britain ..	6 403	48.6	4 166	36.1	4 421	43	2 388	31	2 706	31	2 059	32	4 264	42	3 962	38	9 672	49	8 594	53
Czecho-Slovakia	173	1.3	187	1.6	61	0	10	0	44	0	122	2	2 856	28	2 051	20	2 514	13	2 539	16
Sweden	718	5.4	544	4.7	774	7	1 007	13	956	11	598	9	686	7	827	8	1 643	8	1 667	10
France	336	2.6	138	1.2	106	1	164	2	512	6	146	2	178	2	1 420	14	2 347	12	1 427	9

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9 *Linseed*	6 993	100	24 660	100	20 124	100	11 157	100	7 709	100	6 016	100	6 401	100	12 749	100	23 807	100	20 679	100
Of which to:																				
Belgium	23	0	114	0	390	2	749	7	340	4	148	2	585	9	973	8	4 637	19	4 337	21
Czecho-Slovakia	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1 109	9	6 179	26	3 940	19
Holland	118	2	3 921	16	2 751	13	880	8	662	8	373	6	139	2	923	7	2 275	9	3 258	16
France	983	13	492	2	104	0.5	—	—	84	1	170	3	665	10	3 146	25	2 389	10	2 919	14
Cellulose	47 680	100	60 781	100	53 898	100	36 173	100	39 384	100	47 751	100	57 334	100	52 189	100	57 206	100	68 621	100
Of which to:																				
Great Britain ..	14 234	30	26 987	44	27 336	51	19 515	54	15 717	40	15 894	33	16 939	29	24 336	47	26 847	47	25 031	36
U.S.A.	2 397	5	5 883	9	3 825	7	2 918	8	1 912	5	15 364	32	18 323	32	8 502	16	14 797	26	18 357	27
France	463	1	8 649	14	15	0	1 069	3	1 712	4	1 728	4	6 052	11	3 313	6	10 182	18	15 005	22
Planks & Boards	52.452	100	60 539	100	45 195	100	39 679	100	54 054	100	88 666	100	82 759	100	121 796	100	118 019	100	115 002	100
Of which to:																				
Great Britain ..	1 489	3	2 398	4	4 676	10	11 105	28	25 037	46	43 893	49	29 894	36	65 197	53	66 071	57	68 815	60
Holland	—	—	2 115	4	319	0	8 891	25	14 819	27	16 060	18	14 034	17	20 628	17	15 967	14	15 941	14
France	—	—	2 940	5	4 930	11	2 462	6	850	1.5	2 316	3	7 163	8	10 884	9	12 413	10	9 530	9
Germany	49 089	93	44 082	73	27 980	62	12 867	32	12 134	22	17 604	19	15 545	19	2 821	2	9 837	8	7 006	6
Veneer	6 570	100	7 535	100	3 862	100	3 673	100	2 718	100	3 710	100	5 393	100	5 924	100	5 743	100	6 250	100
Of which to:																				
83 **Great Britain** ..	2 978	46	3 868	51	2 607	67	2 468	67	1 698	62	2 264	61	3 684	68	4 673	79	5 049	88	5 080	81

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6: Anonymous U-4,5 (no date) 1938 RB5 Lithuanians RB5

The distribution of the export of several more important commodities according to country and the changes occurring therein during the last ten years are shown in the attached Table No. 4. According thereto two-thirds of the live pigs are exported to the U. S. S. R. and one-third to Germany. Export to the U. S. S. R. has risen only during the last three years. From 1928—1932 Germany still took approximately nine-tenths of the export quantity. After the stoppage in 1935, Germany's share is again upon the up-grade.

Great Britain alone takes over the entire bacon export.

More than two-thirds of Lithuania's butter export also go to Great Britain. Meanwhile Germany's share between 1928 and 1935 shrank from 90% to nil, and has since during the last two years risen 17%.

Half the flax export in round figures pertains to Great Britain. Among the other more important customers, Czecho-Slovakia, Sweden, and France should be mentioned.

The export of linseed is not so strictly concentrated in separate countries as the above-mentioned goods. It is distributed among Belgium, Czecho-Slovakia, Holland, and France.

The same remark applies to cellulose; this is in approximately equal portions exported to Great Britain, the U. S. A., and France. In 1937 Great Britain's share declined and that of both the other countries has increased.

Sawn timber up to 60% goes to England. Holland occupies the second place. Here also is the same re-grouping as with butter worthy of note. Germany's share, which in 1928 exceeded 90%, shrank to 6% during subsequent years.

Veneer is exported chiefly to Great Britan.

5. Analysis of Import according to Commodities

Lithuanian import is more differentiated than export. The most important share pertains to the imports of textiles (raw materials, yarns, and fabrics). In 1937 they amounted to 22%. Then followed iron, various metals, and wares thereof with 18%. In the third place stand machinery and apparatus with 12%, and in the fourth petroleum and coal with approximately 9%.

A detailed review of the development of the import of the most important commodities during the last ten years is afford-

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ed by the attached Table No. 5. It reflects pretty clearly the course of Lithuania's economic life.

The agrarian crisis in the years 1931—1934, its subjugation, and the fresh economic revival during the last three years are illustrated by the figures on the import fertilizers. During 1930 the imports of phosphates reached 115 000 tons. In 1934 they sank to 55 000 tons, but in 1937 again reached 95 000 tons.

Very characteristic is the development of the imports of industrial raw material and semi-manufactures, which, in connexion with the industrialization of our country even during the general world economic crisis either receded only negligibly or not at all, and during the last two years rose tremendously. This concerns in the first place the imports of coal, petroleum, and combustibles generally; iron and steel, and especially wool, cotton, and yarns, the import of which from 1928 to 1937 has nearly quadrupled.

The import of cement from 1932—1935 showed recession; it did not nevertheless fall below the level of 1929. During the last two years not only were the losses made good, but the position of 1928 has been doubled, owing to the upward trend of construction.

The imports of machinery and motor-cars rose strongly during 1937, i. e. those of the former have doubled, which reflects the rise of industrial production, and of the latter even quadrupled, which was occasioned by the reduction of the duties.

Simultaneously with the rise in the imports of an entire series of articles which are required for the establishment of home industry, the import of many ready-made products has receded, because the demand now either wholly or in part can be covered by domestic production. The relevant statistical data can be seen in Table No. 6.

Thus soon after the establishment of the first sugar factory at Marijampolė in 1931, the imports of foreign sugar fell off approximately by half. After the second factory had been erected at Pavenčiai in 1935, sugar imports almost entirely ceased.

The erection of the rubber factory „Inkaras" at Kaunas and of the paper factory at Petrašiūnai in 1933 has brought about a sharp drop in rubber and paper ware imports.

The development of the domestic textile industry caused the decrease of the import of ready-made fabrics. This, it is

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Table No. 5.

The Most Important Commodities of Lithuanian Import from 1926—1937.

Commodities	1928		1929		1930		1931		1932		1933		1934		1935		1936		1937	
	to	Mil. lt	to	Mil. lt	to	Mil. lt	to	Mil. lt	to	Mil. lt	to	Mil. lt	to	Mil. lt	to	Mil. lt	to	Mil. lt	to	Mil. lt
I. Comestibles																				
Fish (Herrings, &c)	14 895	9.2	18 616	11,5	15 704	9.9	11 844	6.5	10 718	4.4	7 936	3.1	9 670	2.9	7 258	2.2	9 770	3.4	11 690	4.0
Fruit & Berries	1 646	2.6	1 658	2.8	2 464	3.5	2 600	3.1	1 770	1.8	1 619	1.4	1 539	1.3	1 156	1.1	1 236	1.3	1 365	1.3
Coffee, Cocoa & Tea	596	2.9	662	2.9	671	2.5	675	2.1	618	1.6	563	1.3	533	1.0	689	1.1	689	1.0	622	1.2
Salt	26 345	2.4	30 727	2.3	30 812	2.0	34 031	2.3	34 077	2.2	34 111	2.1	32 910	1.7	39 825	1.9	32 674	1.7	32 515	1.6
II. Raw Materials & Semi-Manufactures																				
Raw Hides & Furs	1 306	5.5	1 636	5.0	1 998	4.6	2 650	4.2	1 652	2.4	1 698	2.7	2 284	3.4	1 499	2.4	2 062	3.9	2 435	6.3
Fertilizers	106 512	15.1	103 964	15.5	115 219	15.8	89 407	10.5	64 331	6.8	65 539	6.7	55 776	5.7	65 546	4.7	71 524	5.6	95 790	7.3
Tobacco	1 088	3.2	1 236	3.8	937	3.2	1 085	3.4	777	2.3	881	2.5	937	3.2	331	1.0	727	1.8	936	2.7
Iron & Steel ..	21 265	7.6	17 882	6.6	24 557	8.3	25 381	6.7	20 516	4.1	24 906	5.3	24 406	5.3	22 958	4.6	32 055	6.4	40 030	11.2
Petroleum	31 414	9.7	31 585	9.9	39 250	11.4	39 896	10.3	38 497	7.9	37 207	6.9	38 743	6.4	38 136	6.2	40 305	6.1	46 188	6.7
Coal	196 664	11.3	268 206	14.6	225 703	12.1	263 586	13.3	244 764	9.9	252 573	8.6	250 965	7.8	242 318	6.8	270 114	8.1	306 203	10.7
Cement	46 902	4.7	50 047	4.6	63 526	5.8	87 994	6.8	67 256	3.7	60 670	2.6	58 483	2.3	57 958	2.3	74 022	2.9	95 744	4.3
Wool	285	1.4	365	2.7	335	1.9	299	1.4	256	1.2	383	1.7	394	2.1	410	1.9	473	2.5	541	3.4
Cotton	226	0.6	196	0.7	259	0.8	369	0.7	327	0.6	272	0.5	480	0.7	1 379	2.3	1 688	2.8	2 453	4.3

III. Ready-made Goods																				
Paints & Varnish	386	1.5	415	1.6	495	2.1	462	1.9	467	1.8	466	2.2	502	2.3	596	2.2	748	2.5	782	2.5
Chemical Products	4 747	5.4	5 220	5.9	4 620	4.8	4 608	4.5	4 504	3.7	5 335	3.8	6 356	4.7	5 861	4.1	6 704	4.2	7 955	4.9
Woollen Yarns. .	134	2.2	126	2.4	130	2.3	170	2.6	145	2.0	254	3.3	311	4.3	353	4.2	568	7.0	625	8.4
Woollen Fabrics	392	13.6	364	14.9	448	17.4	467	15.5	292	7.7	198	4.9	176	4.1	213	4.2	264	5.5	259	6.0
Cotton Yarns ..	786	6.0	900	7.4	1 549	12.0	1 525	8.8	1 827	7.9	2 228	8.9	2 138	7.9	1 833	7.4	2 119	8.7	1 944	8.6
Cotton Fabrics .	2 050	28.6	1 569	25.3	1 887	29.4	1 829	25.4	971	11.8	926	10.8	866	9.4	751	7.6	1 165	11.1	1 176	11.1
Paper & Paper Wares	5 084	7.0	5 278	7.2	5 499	7.5	5 491	6.7	5 547	5.2	2 613	2.8	1 696	2.2	1 519	1.9	2 303	2.6	1 993	2.6
Glass E Glass Wares	2 382	2.6	2 071	2.4	2 924	2.9	2 676	2.7	2 849	1.9	1 405	1.2	1 852	1.3	2 283	1.4	2 891	1.6	3 207	1.9
Iron & Steel Wares	16 525	16.4	16 489	17.5	21 085	20.7	26 491	20.6	20 256	11.7	16 382	9.3	14 872	8.6	13 310	7.5	15 364	8.7	30 513	16.5
Electrical Machinery ..	441	1.9	562	2.9	551	3.2	488	2.9	393	2.5	275	1.6	581	2.1	594	2.1	497	1.9	712	2.7
Industrial Machinery ..	3 792	13.3	3 730	14.2	4 415	10.0	5 719	18.8	2 654	8.2	2 034	5.0	2 140	6.5	2 337	6.3	2 132	8.5	4 180	15.4
Agricultural Machinery ..	2 335	4.6	2 126	4.5	2 307	4.5	2 687	5.0	1 415	2.0	1 067	1.3	949	1.1	958	1.1	837	1.2	1 967	2.5
Motor-cars	727	5.5	494	3.6	657	4.8	563	3.9	171	1.2	125	0.8	308	1.6	240	1.1	472	1.9	1 666	7.5
Scientific Apparatus & Instruments ..	212	3.7	177	3.7	205	4.5	235	5.6	174	3.7	152	3.2	169	3.3	275	5.8	255	4.1	361	6.3

true, in connexion with the growth of consumption during the last two years, has somewhat risen, but remains nevertheless to-day at approximately a half behind the position of 1928—1931.

The extremely sharp recession of knitted goods import has certainly been evoked directly by protectionist measures (the increase of the duties and the licensing of import). An important rôle was, however, played by the establishment of three undertakings for woven goods manufacture in Kaunas, i. e. the firm of Uljamperliai Bros. and the joint-stock companies „Cotton" and „Diana".

The import of leather and leather footwear has also receded under the influence of the intensification of domestic industry, inter alia the establishment of the „Batas" and „Lithuania" firms, etc.

6. Analysis of Export according to Countries.

The development of Lithuania's export trade from 1928—1937, according to separate countries, is shown by the attached Table No. 7. It contains data on the exports to sixteen countries to which in 1937 in all 97.3% of our exports related.

We see from this table that during recent years almost half Lithuania's export has gone to the United Kingdom.

This high share and the first place among customer-countries for Lithuanian products fell to Great Britain for the first time in 1932, until when Germany had headed the list of Lithuania's foreign markets. The agrarian-protectionist import restrictions introduced in Germany since 1932, on the one hand, and various misunderstandings of a non-economic character, on the other, caused a sharp curtailment of our exports to Germany from 1932—1935. Since the conclusion of a new economic agreement in 1936 Lithuanian - German trade has again revived and shows a fresh upward tendency.

The two following tables illustrate the structure of exports to Great Britain and Germany during the last three years:

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Table No. 6.

The Recession of Import of Various Commodities into Lithuania (in tons).

Commodities	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
Sugar	20 018	27 384	31 754	25 957*)	15 471	3 199	12 359	3 040**)	3 277	414
Leather	89.8	116.2	118.8	99.5	51.7	58.8	39.0	16.3	16.4	18.6
Leather Footwear	36.1	30.2	43.3	113.9	30.5	48.1	12.6	11.5	16.3	19.4
Rubber Goods	523.0	605.0	636.5	680.2	617.2	652.3	276.7	180.3	191.8	268.2
Soap	181.7	319.3	303.7	162.4	59.6	9.7	32.4	6.7	15.6	26.0
Woollen Fabrics	392	364	448	467	292	198	176	213	264	259
Cotton Fabrics	2 050	1 569	1 887	1 829	971	926	866	751	1 165	1 176
Knitted Goods	173.3	134.5	116.5	77.5	24.9	18.0	14.7	4.2	5.7	7.3
Paper & Paper Wares..	5 064	5 278	5 499	5 491	5 547	2 613	1 699	1 519	2 303	1 993

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*) Establishment of a Factory.

**) Establishment of a second Factory.

Lithuania's Exports to Great Britain (in 1 000 litas)

Commodities	1935	1936	1937
Total Exports	69 513.7	92 152.9	96 581.3
Including:			
Bacon	17 404.5	22 584.3	22 827.9
Butter	18 301.9	25 541.0	27 944.4
Eggs	1 386.5	3 660.0	3 913.8
Boards & Planks........	6 580.8	5 622.2	9 144.5
Cellulose	4 569.8	4 907.5	4 866.6
Veneer	3 636.0	3 479.3	3 607.7
Flax & tow	5 177.3	12 434.0	12 921.3

Lithuania's Exports to Germany (in 1 000 litas).

	1935	1936	1937
Total Exports	5 435.2	20 598.9	34 479.3
Including:			
Live pigs	2.3	4 045.9	7 503.8
Live poultry............	0.6	1 492.1	1 534.9
Beef	2.5	246.5	1 168.9
Slaughtered poultry and game	369.9	1 003.0	1 129.9
Butter	63.1	2 928.3	7 588.9
Eggs	4.1	542.0	1 532.1
Boards & planks	355.6	2 290.5	1 886.4
Flax & tow	34.7	1 384.1	923.1

Until 1931 Latvia occupied the third place in Lithuania's export trade. For example, in 1929 our export to that country reached 30 500 000 litas and a share of 9.2% in the total export trade. To be sure the bulk of the commodities then exported to Latvia (for example, flax for about 7 700 000 litas and linseed for about 6 200 000 litas) was re-exported by Latvian customers, so that actually exports to Latvia were also smaller. The agrarian-protectionist measures introduced since then in Latvia have resulted in a sharp fall of Lithuanian exports to that country.

At present, i. e. since 1934, the U. S. S. R. stands in the third place in Lithuania's export trade. She imports from Lithuania chiefly live pigs and also hides and leather.

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Table No. 7.

Lithuania's Export Trade from 1928—1937 according to Countries.

Countries	1928		1929		1930		1931		1932		1933		1934		1935		1936		1937	
	Mil. lt	%	Mil. lt	%	Mil. lt	%	Mil. lt	%	Mil. lt	%	Mil. lt	%	Mil. lt	%	Mil. lt	%	Mil. lt	%	Mil. lt	%
Total Export	256.9	100.0	329.8	100.0	333.7	100.0	273.1	100.0	189.1	100.0	160.2	100.0	147.2	100.0	152.3	100.0	190.5	100.0	208.3	100.0
Including:																				
Great Britain	52.3	20.3	57.4	17.4	65.0	19.5	90.4	33.1	78.3	41.4	71.6	44.7	62.7	42.6	69.5	45.6	92.1	48.4	96.6	46.4
Germany	148.3	57.7	195.9	59.4	199.9	59.9	125.4	45.9	74.0	39.1	52.5	32.7	31.8	21.6	5.4	3.6	20.6	10.8	34.5	16.5
U. S. S. R.	3.6	1.4	1.3	0.4	5.1	1.5	8.2	3.0	6.7	3.5	2.7	1.7	7.5	5.1	13.1	8.6	10.1	5.3	11.0	5.3
France	4.2	1.6	3.9	1.2	2.2	0.7	2.6	0.9	2.9	1.6	3.2	1.9	4.3	2.9	7.1	4.7	8.6	4.5	9.8	4.7
Holland	5.4	2.1	10.7	3.2	6.8	2.0	4.9	1.8	3.9	2.1	3.8	2.4	4.6	3.1	7.9	5.2	5.5	2.9	9.5	4.6
Belgium	4.3	1.7	4.3	1.3	6.8	2.0	10.7	3.9	3.4	1.8	4.4	2.8	6.4	4.3	11.9	7.8	10.5	5.5	7.8	3.7
Czecho-Slovakia	0.8	0.3	0.9	0.3	0.4	0.1	0.1	0.06	0.2	0.1	1.3	0.8	4.4	2.9	5.6	3.7	7.1	3.7	7.0	3.4
U. S. A.	2.4	0.9	4.4	1.3	2.6	0.8	2.0	0.7	1.0	0.5	5.3	3.3	4.8	3.2	2.9	1.9	6.7	3.5	6.8	3.3
Sweden	3.1	1.2	2.4	0.7	3.9	1.2	1.8	0.7	1.9	1.0	1.0	0.6	2.6	1.7	3.5	2.3	5.6	2.9	4.7	2.2
Palestine	0.08	0.04	0.2	0.05	0.1	0.04	0.1	0.03	0.05	0.03	0.4	0.2	0.6	0.5	2.0	1.3	2.9	1.6	3.4	1.6
Switzerland	0.04	0.02	1.1	0.3	0.6	0.2	0.5	0.2	0.4	0.2	0.5	0.3	0.7	0.5	2.6	1.7	1.9	1.0	3.4	1.6
Denmark	1.9	0.7	3.9	1.2	4.4	1.3	3.0	1.1	1.1	0.5	2.4	1.5	4.6	3.1	5.7	3.7	5.1	2.7	2.6	1.3
Austria	0.2	0.08	0.05	0.01	0.05	0.02	0.02	0.01	0.02	0.01	0.1	0.07	1.4	0.9	1.2	0.8	1.7	0.9	2.2	1.0
Latvia	17.4	6.8	30.5	9.2	22.9	6.8	15.1	5.5	4.4	2.3	5.3	3.3	4.8	3.2	3.7	2.4	3.4	1.8	1.7	0.8
Finland	0.02	0.01	0.3	0.09	0.0	0.0	0.0	0.0	0.02	0.01	0.04	0.03	0.1	0.1	0.8	0.5	1.4	0.7	1.1	0.5
Estonia	0.14	0.06	0.2	0.06	0.3	0.1	0.2	0.07	0.15	0.08	0.15	0.1	0.4	0.3	1.3	0.9	0.7	0.4	0.9	0.4

439 To France, who holds the fourth place among Lithuania's foreign markets, cellulose, flax, linseed, and sawn timber are predominantly exported.

The principal staples of our exports to Holland are pulp wood, boards and planks, linseed, and calf-skins.

To Belgium go chiefly cellulose, sawn timber, and linseed; to Czecho-Slovakia flax and linseed; to the United States, cellulose and frozen pork; to Sweden, flax; to Palestine, butter; to Switzerland, frozen pork and butter; to Denmark, horses and aspen. The separate items of export to other countries are relatively insignificant.

The development of the distribution of Lithuanian export according to individual countries during the last five years has brought into prominence as a favourable phenomenon the fact that, instead of a concentration of exports on two or three countries, as had formerly been the case, to-day it is capturing an ever increasing number of foreign markets, with the tendency through their simultaneous service to protect itself against sudden reactions, which can occur when, on any ground, export to one market comes to a standstill. The successful fulfilment of this decentralization tendency reveals itself in the fact that whereas until 1932 approximately 80% of export fell to Great Britain and Germany and only 20% to all other countries, in recent years the share of both the above-mentioned countries has sunk to approximately 60%, and that of the remainder has risen to 40%.

7. Analysis of Import Trade according to Countries.

On the strength of the contrasted statistical data in Table No. 8 on the development of Lithuanian import from separate countries during the last ten years, we may conclude that in contradistinction to export, import for long has been less centralized and distributed among a greater number of countries.

The sequence of countries according to the size of import values is, however, not identical with that of export, because between export and import in the trade with separate countries important discrepancies existed and even now still exist.

The problem of our commercial policy is therefore not so much directed to a further decentralization as, on the contrary,

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Table No. 8.

Lithuania's Import Trade from 1928—1937 according to Countries.

Countries	1928		1929		1930		1931		1932		1933		1934		1935		1936		1937	
	Mil. lt	%	Mil. lt	%	Mil. lt	%	Mil. lt	%	Mil. lt	%	Mil. lt	%	Mil. lt	%	Mil. lt	%	Mil. lt	%	Mil. lt	%
Total *Import*	291.1	100.0	306.4	100.0	312.4	100.0	277.9	100.0	166.9	100.0	142.2	100.0	138.7	100.0	128.6	100.0	156.0	100.0	212.6	100.0
Including:																				
Great Britain	19.2	6.6	26.0	8,5	24.0	7.7	19.7	7.1	17.9	10.8	24.3	17.1	35.1	25.3	47.9	37,3	57.0	36.5	59.3	27.9
Germany	146.8	50.4	150.2	49.0	151.4	48.5	130.7	47.0	67.2	40.3	51.3	36.1	38.8	28.0	14.7	11.4	14.4	9.2	46.4	21.8
U. S. S. R.	9.1	3.1	13.1	4.3	13.8	4,4	17.2	6.2	10.2	6.1	7.8	5.5	5.9	4.3	13.6	10.5	14.7	9.4	17.9	8.4
France	4.5	1.6	7.2	2.3	9.5	3.0	8.3	2.9	5.6	3.4	4.4	3.1	5.2	3.7	4.4	3.4	4.8	3.1	5.6	2.6
Holland	9.2	3.2	10.0	3.3	9.9	3.2	7.3	2.6	4.5	2.7	4.7	3.3	4.9	3,6	6.0	4.7	7.0	4.5	8.8	4.2
Belgium	3.7	1.3	5.2	1.7	7.4	2.4	7.9	2.8	7.6	4.5	7.5	5.3	7.9	5.7	4.9	3.8	13.7	8.7	16.7	7.9
Czecho-Slovakia	13.1	4.5	19,2	6.3	18,0	5.8	19.6	7.0	12.6	7.6	8.6	6.1	9.1	6.6	9.2	7.2	7.4	4.8	6.9	3,3
U. S. A.	20.5	7.0	16.7	5.5	14.7	4.7	10.8	3.9	6.3	3.8	4.3	3.0	3.9	2.8	3.8	2.9	4.4	2.8	7.4	3.5
Sweden	5.5	1.9	5.7	1.9	7.5	2.4	5.4	1.9	3.6	2.1	2.4	1.7	3.0	2.2	3.1	1.4	4.7	3.0	6.9	3.3
Palestine	0.12	0.04	0.02	0.01	0.1	0.03	0.07	0.02	0.14	0.09	0.1	0.08	0.1	0.07	0.25	0.2	0.15	0.1	0.12	0.06
Switzerland	2.6	0.9	2.5	0.8	3.6	1.2	3.2	1.2	1.9	1.1	1.5	1.0	1.7	1.2	1.9	1.5	2.5	1.6	3.5	1.6
Denmark	3.1	1.1	6.3	2.1	5.4	1.7	3.5	1.3	2.1	1.2	1.9	1.4	2.2	1.6	3.3	2.6	4.7	3.0	6.9	3.3
Austria	1.2	0.4	1.8	0.6	1.7	0.5	1.5	0.5	0.9	0.6	2,2	1.6	2.9	2.1	2,1	1.6	2.5	1.6	1.6	0.8
Latvia	10.3	3.6	10.9	3.6	13.4	4.3	11.9	4.3	7.7	4.6	5.7	3.9	2.5	1.8	1.7	2.3	1.9	1.3	2.1	1.0
Finland	0.6	0.2	1.7	0.5	2.2	0.7	1.8	0.6	1.9	1.1	1.4	1.0	0.7	0.5	0.4	0.3	0.4	0.2	0.4	0.2
Estonia	4.0	1.4	2.0	0.7	3.5	1.1	3.4	1.2	2.1	1.3	0.6	0.4	0.4	0.3	1.2	0.9	0.9	0.6	0.8	0,4

to the deflection of import to countries with which we have an active trade balance.

Since 1935 Great Britain has held first place in Lithuanian import trade. Her percentage share, however, notwithstanding a slight rise in the absolute figures, in 1937 again receded and does not by a long way correspond to the considerably larger share of Great Britain in Lithuania's export trade.

During the last three years the following articles more especially were imported from Great Britain (in 1 000 litas):

	1935	1936	1937
Herrings	2 147.7	3 223.5	2 345.2
Superphosphates	1 237.6	1 077.9	1 130.1
Sheet - iron	989.6	1 397.9	1 506.3
Coal	5 251.9	8 177.8	7 685.7
Cement	1 429.7	1 511.6	2 141.0
Raw wool	1 633.4	1 674.8	2 176.9
Woollen yarn	3 647.9	6 406.1	6 752.5
Cotton yarn	5 210.4	6 208.1	5 942.5
Woollen fabrics	3 311.9	4 283.2	4 399.8
Cotton fabrics:			
Raw and bleached	1 124.9	1 300.0	1 325.2
Dyed	3 971.4	6 406.4	4 889.7

Germany, who from 1928 to 1931 still supplied approximately half of all commodities imported into Lithuania and who, despite the later decreases of deliveries, until 1934 remained in the first place in Lithuania's import trade, was in 1935 relegated by Great Britain to the second place, which she also occupies to-day. Her share in imports in 1937 again exceptionally increased (from 9.2% to 21.8%), and considerably surpassed the share in Lithuanian export trade.

The principal articles of Lithuanian import from Germany in recent years were as follows (in 1 000 litas):

	1935	1936	1937
Iron rails	—	4.4	1 660.8
Woollen fabrics	36.1	112.2	1 007.0
Cotton fabrics dyed	81.3	128.4	936.8
Factory machinery	331.3	316.3	1 713.5
Machine parts	516.3	502.0	1 231.5

Motor-cars	15.7	122.2	1 136.7
Chassis	49.8	187.3	1 196.4
Scientific apparatus and instruments	239.5	359.4	980.6

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The nomenclature of Lithuanian imports from Germany is, moreover, extremely elusive and differentiated, which is due partly to the lively frontier trade. The above cited articles constitute only approximately a fifth of our total imports from Germany.

The U. S. S R. supplies Lithuania in the first place with round timber for the Timber Syndicate at Memel; petroleum products, coal, salt, superphosphates, and cotton fabrics. She occupies among countries of supply the third place; also her share in Lithuania's import is higher than in export trade.

In the fourth place comes Belgium, who furnishes chiefly iron and woollen yarns. Our imports from Belgium considerably exceed our exports thither, i. e. more than twofold.

From Holland are imported superphosphates, wireless apparatus, and artificial silk yarns; from Sweden and Denmark, motor-cars; from France, iron; from Switzerland, clocks and machinery; from the United States, petroleum products, cotton, and phosphates. The nomenclature of imports from other countries is sharply differentiated.

In general we can assert that Germany had the largest share in the increase of Lithuanian imports in 1937, owing partly to the fact that deliveries from that country in consequence of the conflict in 1935, had unusually declined, and the present rise has only restored the earlier relation. Otherwise imports from almost all other countries have absolutely increased, although as regards the percentage share, several changes have ensued. Only the imports from Czecho-Slovakia, Austria, Estonia, and Palestine evince an absolute and a percentage recession.

8. The Trade-Balance with separate Countries.

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It has already at the outset been pointed out that the liquidation of free-trade, which ensued during the last world economic crisis, and the transition to the quota system, have

651 473 comparison cannot be doubted because equivalent factors are involved. This contrast furnishes the following result:

Profit Tax in 1 000 litas	1930	1931	1932	1933	1934	1935	1936
Industry	2 640.6	2 743.3	2 217.5	2 606.7	2 373.3	2 463.2	3 177.2
Trade	5 724.4	5 980.2	5 595.1	5 133.1	4 343.2	4 635.9	4 854.4

On the basis of the foregoing comparative figures, we may reckon that in comparison with 1930 the taxation capacity of industry in 1936 increased by 20%, whereas simultaneously the Profit Tax returns of trade receded by 15%.

● 439 473 This comparison fully illustrates that the position of trade is much more unfavourable than that of industry, which is chiefly due to three factors:

1. The large share of foreign trade in the total goods turnover (direct export and import can be estimated at approximately 40%, and by adding the turnover between wholesale and retail trade the share exceeds 60%) renders our trade to a greater degree dependent upon the fluctuations of the world trend than is the case with our youthful industry, which works chiefly for the home market.

2. For the same reasons, in the sphere of trade, in connexion with the international shrinkage of import, quotas and compensation agreements, private initiative seems far more hampered than in relation to industry.

3. The vigorous growth of the cooperatives, whose object is as far as possible to eliminate intermediate trade, was bound in the nature of things to aggravate the position of private trade in corresponding branches and thereby force down the total turnover amount.

We shall, it is true, in the further course of our deductions see that the decrease in the trade turnover is only an ad valorem one, and that its quantitative scope has even increased. This fact, however, in no way prejudices the validity of what has already been stated, because the proportion between the comparative taxation figures relating to trade and industry is not displaced thereby but remains identical.

651 439 473 In view of the fact that in crisis years, when the amount of the trade turnover sinks, tax assessments for budgetary reasons as a rule are imposed too high, this circumstance must be taken into consideration for the purpose of the index calcu-

lation of the trade turnover on the basis of the tax statistics, 651
and an appropriate clarification effected. 439

To reinforce this assertion we compare first of all the percentage development of the Profit Tax receipts from 1930—1936 (the tax is valid at times for the preceding year) with the index already calculated in the previous chapter of the ad valorem development of our foreign trade turnover from 1929—1935. We obtain in this manner the two following sets of figures: 473

	1929	1930	1931	1932	1933	1934	1935
Foreign Trade Turnover..	100.0	101.5	86.6	55.9	47.5	44.9	44.1
Trade Turnover on the basis of tax receipts	100.0	105.5	97.7	89.7	75.9	80.9	84.8

One must bear in mind that the home-trade turnover, [438] especially in respect of commodities of fixed demand (chiefly foodstuffs) which constitute the relatively most important item of the turnover, is far less subject to trend fluctuations than foreign trade. The growth of domestic industrial production must likewise extend the scope of the home-trade turnover. On the other hand, however, one may not forget that the retrogression of our foreign trade turnover is in the first instance due to the fall of prices, and that its quantitative scope, as has been demonstrated in a previous chapter, even in the crisis years remained above the level of 1929. The fall of prices has approximately in the same manner affected the foreign and home-trade turnovers. If therefore the tax receipts correctly reflected the trade turnover, then this would mean, in consideration of the high percentage share of foreign trade, that the home-trade in inland goods already in 1935 had attained a turnover which, in comparison with 1929, was ad valorem one and a half times, and quantitatively three times larger, which, it goes without saying, cannot correspond to reality.

On the basis of reliable estimates, the turnover assessments 651
of the Tax Inspectorate in the crisis years, in relation to the 438
firms with non-public accounting, were fixed too high. Since on the firms with public accounting, for which the tax is assessed according to the actual turnover, approximately one-fifth of the Profit Tax total devolves, the figures for the total receipts since 1932 have had to be cut down a quarter in round figures in order to depict the real total turnover.

473 included, because, since it simultaneously belongs to the biggest industrial enterprises, it is shown among the latter. This remark refers to the „Maistas" Joint-stock Company, whose rôle in our foodstuffs industry has already been discussed in the relevant section. The following figures relate therefore solely to its share in our trade turnover.

The „Maistas" Company, 69.8% of whose shares are held by the Government, has since 1935 virtually monopolized the entire export trade of Lithuania in meat, cattle, and poultry (the residue pertains to frontier trade) and therefore as a single enterprise in 1937 reached a share of 22.5% in Lithuania's total exports. Its total foreign and home-trade turnover amounted to 60 000 000 litas and was exceeded only by that of the Central Union of Agricultural Cooperatives, „Lietūkis".

473 The following table illustrates the course of growth of the
● 439 share of „Maistas" in our export trade during the last ten years („Maistas" has been operating already since 1923, but began to play an important part in our economy, properly speaking, only after 1930):

Year	Total Lithuanian Exports of Cattle, Poultry, Ham, and Meat Products, in Million Litas	Share in Total Export Trade	Total Export of „Maistas" in Mil. Lt.	Percentage Share of „Maistas" in: Exports of Cattle, Poultry, Meat, Ham, &c.	the Total Export Trade
1928	31.8	12.4%	1.3	4.0%	0.5%
1929	69.1	20.9%	5.9	8.6%	1.8%
1930	107.3	32.2%	24.8	23.2%	7.4%
1931	112.9	41.3%	42.9	38.1%	15.8%
1932	68.5	36.2%	42.8	62.5%	22.6%
1933	63.0	39.3%	42.3	67.2%	26.4%
1934	45.3	30.8%	34.9	77.0%	23.7%
1935	34.4	22.6%	32.7	95.1%	21.5%
1936	48.1	25.2%	42.7	88.8%	22.4%
1937	51.9	24.9%	46.9	90.3%	22.5%

The principal export articles of „Maistas" are bacon and live pigs. Bacon is sold exclusively to England, and live pigs to the U. S. S. R. and Germany. The export of bacon reached its peak precisely in the crisis years 1932 and 1933, and was largely instrumental in equalizing the shrinkage of export of other articles in our trade-balance at that time, which must be entered to the credit account of „Maistas". When after the Ottawa Conference England greatly expanded her imports of agrarian products from the Dominions, to the detriment of her former European suppliers, our bacon exports also receded, whereby the export structure of „Maistas" was materially altered. The following two comparative tables elucidate this relationship:

I. The Structure of English Bacon Imports

	1931	1936	1937
England's bacon imports, in million £ ..	33.1	27.3	29.3
Including in % from:			
Dominions	0.5	15.7	19.2
European countries ...	97.7	84.1	80.7

II. The Bacon Exports of „Maistas"

	1931	1932	1933	1934	1935	1936	1937
Exports of bacon, in million litas .	30.3	32.5	37.7	27.6	15.0	20.3	20.8
Share of bacon exports in total export of „Maistas" in %	70.6	76.0	89.0	79.1	45.9	47.4	44.4

Although bacon sales in recent years have receded ad valorem by nearly half (and quantitatively by more than half), „Maistas" was able, through the transposition of export to other articles, chiefly live pigs, but also through the building up of poultry and canned goods export, not only to make good the recession of bacon exports, but also in 1937 ad valorem to overtake by 9.3% the pre-crisis position (1931) of its total export trade.

Lithuania's total export of corresponding products during the same period not only, under the operation of the fall in prices, declined ad valorem by 54% but also quantitatively (on the basis of the price-index of Lietuvos Bankas) by 25%.

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ed in „Lietūkis", but which effect their sales on their own account, and other quite independent consumer unions. Among the latter mention should be made of the following:

1. „Parama", which carries on the grocery trade and in Kaunas and neighbourhood owns 30 sale establishments. Its turnover amounted in 1937 to 5 200 000 litas against 4 800 000 litas in 1936 and 4 500 000 litas in 1935. „Parama" owns also its own bread bakery, the biggest in Lithuania, the production of which in 1937 reached 5 900 000 litas.

2. „Spaudos Fondas" engages in the book and stationery material trade, also in book publishing. It maintains three sales establishments in Kaunas and ten in the provinces. The turnover reached 6 100 000 litas in 1937 against 5 400 000 litas in 1936 and 4 600 000 litas in 1935.

3. „Karių Ekonominė Bendrovė", a military consumers' union, maintains in Kaunas its own organized warehouse-like emporium. In 1937 its turnover reached 2 600 000 litas against 2 900 000 litas in 1936, and 3 100 000 litas in 1935. It is the only cooperative society whose turnover, if only negligibly, has declined.

4. „Marginiai" engages in the sale of articles of folk art and household industry. It maintains a branch establishment at Šiauliai. In 1937 the turnover amounted to 211 334 litas against 158 783 litas in 1936, and 142 320 litas in 1935.

The total turnover of all trade cooperatives, which already in 1929 had reached the amount of 52 200 000 litas, stayed until 1935 below this level. In 1936, however, it rose to 55 800 000 litas and in 1937 to 65 000 000 litas.

The Central Union of Lithuanian Dairy-farming Cooperative Societies „Pienocentras" belongs formally it is true, not to the trade cooperatives but to the production cooperative societies, but in view of its important share in the goods turnover, especially in the export trade, we will describe its rôle in this section.

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The union „Pienocentras", which was founded in 1926, counts to-day 192 dairy-farming cooperative societies as members. It disposes in all of over 2 052 milk-skimming stations, and is served by 91 491 milk-purveyors. It owns the monopoly of butter and egg export. Its share in the total export of Lithuania amounted in 1937 to 26.1%. Concurrently it maintains

also inland 17 sale emporia and eight breakfast rooms and in 1937 attained on the home market a turnover of 7 200 000 litas.

The growth of the goods turnover of „Pienocentras“ and its structure are shown in the following three tables:

1. The Structure of the Total Turnover of „Pienocentras“ (in 1 000 litas)

Year	Total Turnover	Whereof A. Export	Including: 1. Butter	Including: 2. Eggs	Percentage Share in Total Lithuanian Export	B. Domestic Sales
1927	5 981	3 971	3 950	—	1.6	2 010
1928	13 662	10 437	10 437	—	4.1	3 225
1929	25 999	20 888	20 786	102	6.3	5 111
1930	43 854	35 200	34 866	334	10.5	8 653
1931	46 102	37 790	37 055	735	13.8	8 312
1932	45 182	37 079	36 045	1 034	19.6	8 103
1933	36 163	29 909	29 150	789	18.7	6 245
1934	36 329	30 231	28 816	1 397	20.5	6 098
1935	42 438	35 948	33 866	2 046	23.6	6 490
1936	55 897	48 228	42 042	6 151	25.3	7 668
1937	65 730	54 470	47 065	7 375	26.1	7 187

2. Butter Export of „Pienocentras“

Year	Total Butter Export of Lithuania, in Tons	Butter Export of „Pienocentras“, in Tons	Percentage Share of „Pienocentras“
1927	2 051	551.2	26.9
1928	2 643	1 374.6	52.0
1929	4 084	2 810.4	68.8
1930	7 357	6 024.4	81.9
1931	8 705	7 480.9	85.9
1932	9 926	9 280.9	93.5
1933	9 580	8 674.2	90.4
1934	9 671	9 589.9	98.9
1935	12 154	12 101.2	99.6
1936	14 629	14 302.4	97.8
1937	15 058	14 964.4	99.4

3. Egg Export of „Pienocentras“

Year	Total Export of Eggs from Lithuania, in 1 000	Egg Export of „Pienocentras“, in 1 000	Percentage Share of „Pienocentras“
1929	55 509	361	0.6
1930	55 188	1 567	2.8
1931	60 998	4 815	7.9
1932	45 790	8 757	19.1
1933	28 796	7 523	26.1
1934	19 247	16 074	83.5
1935	27 798	26 758	96.3
1936	67 184	66 542	99.0
1937	77 063	74 136	96.5

On the basis of the data contained in the foregoing tables, we may form the following conclusions:

1. The total turnover of „Pienocentras“ since the foundation year until 1931 grew uninterruptedly. Owing to the crisis years, this growth was interrupted; yet the falling-off in the turnover was not quantitative but evoked by the fall of prices. During the last two years, however, the position of 1931 has also been appreciably exceeded, in 1937 by 42.5%.

2. Nearly 90% of the total turnover of „Pienocentras“ devolves upon export. Of this percentage approximately 85% consists of butter export and 15% of egg export. Butter export already since 1934 and egg export since 1935 have been conducted by „Pienocentras“ on a monopoly basis. Foreign trade statistics show that simultaneously with the growth of the share of „Pienocentras“, Lithuania's total export of corresponding commodities has considerably grown, which proves that the extension of our butter export trade more particularly must be entered solely to the credit account of „Pienocentras“. Since 1927, that is, since the time when „Pienocentras“ began to engage in butter export, the Lithuanian butter exports have grown quantitatively more than sevenfold, and during the last four years alone, since „Pienocentras“ enjoyed a monopoly, amount to an increment of 57%.

3. The domestic sales do not reveal so favourable a development as export. Ad valorem they were in 1937 still below the level of 1931, although, having regard to price variations, their quantitative scope has risen approximately by 30%.

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At the end of this section we furnish one more comparative 474
table, which shows us the development of the share of our three 439
largest commercial organizations, viz., „Lietūkis", „Pienocentras", and „Maistas", in Lithuania's total export trade.

Year	Export of „Pienocentras", in 1 000 Litas	Export of „Maistas", in 1 000 Litas	Export of „Lietūkis", in 1 000 Litas	Total in 1 000 Litas	Share in Lithuania's Total Export Trade, in %
1928	10 437	1 266	1 000	12 703	4.9
1929	20 888	5 948	1 000	27 836	8.3
1930	35 201	24 849	10 986	71 036	21.3
1931	37 790	42 904	8 127	88 821	32.5
1932	37 079	42 814	952	80 845	42.7
1933	29 909	42 323	1 431	73 663	45.9
1934	30 231	34 880	2 520	67 631	45.9
1935	35 948	32 734	18 949	87 631	57.5
1936	48 228	42 723	18 209	109 160	57.3
1937	54 470	46 855	8 603	100 928	52.8

The figures of the foregoing tables confirm the accuracy of the assertion expressed in the chapter on foreign trade, that the relatively favourable development of our export trade during the crisis years should be entered to the credit account of „Maistas" and „Pienocentras". („Lietūkis" exports chiefly grain and its export is therefore, in dependence on the nature of the harvest, subject to severe fluctuations). Indeed, precisely in the years 1931—1935, when the value amount of our export trade was constantly sinking, did the share of our public commercial institutions grow most vigorously, whereas during both last years of the upward trend, when also private initiative began more strongly to manifest itself, it receded in a percentage sense.

5. The Dynamic of Price Development.

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In the valuation of industrial production and the calculation of its index as well as in the estimate of the volume of the foreign and home-trade turnover, we have already been able to

505 „Holland“, and „Gotland“, sailed under the Lithuanian flag, their total capacity being 3 000 gross registered tons. First of all at the beginning of 1936 the „Maistas“ Joint-stock Company, with a view to the favourable expansion of its meat export to England, acquired three vessels with refrigerating plant, and a total capacity of 1 723 gross registered tons, whereby the number of ships under the Lithuanian commercial ensign was doubled. At the end of 1936 the Lietuvos Baltijos Lloydas Joint-stock Company was floated with preliminary share-capital of 2 000 000 litas, later raised to 3 500 000 litas, which took over the three abovementioned vessels from „Maistas“, and later purchased two others in Denmark of 1 880 gross registered tons, and finally one more in Norway of 1 566 gross registered tons.

Moreover, the Memel shippers „Sandėlis“ in 1936 procured a vessel of 990 gross registered tons and at the beginning of 1938 a second of 1 128 gross registered tons.

Our mercantile marine therefore consists to-day of eleven steamers of a total capacity of 10 299 gross registered tons. They are:

„Utena“,	542	gross	registered	tons
„Kretinga“,	642	„	„	„
„Maistas“,	641	„	„	„
„Šiauliai“,	939	„	„	„
„Marijampolė“,	941	„	„	„
„Gotland“,	990	„	„	„
„Nida“,	990	„	„	„
„Holland“,	991	„	„	„
„Friesland“,	1 029	„	„	„
„Neringa“,	1 128	„	„	„
„Kaunas“,	1 566	„	„	„

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439 The development of our foreign trade traffic via Memel port from 1931 to 1937 is shown by the following figures:

Import and Export via Memel.

	1931	1932	1933	1934	1935	1936	1937
Import, in 1 000 tons	426.0	611.3	696.7	738.6	666.0	810.7	968.9
Export, in 1 000 tons	194.9	222.1	258.4	275.8	441.1	462.3	370.1

These figures, in which of course transit traffic is also included, show that under the operation of the above-mentioned factors (extension of the port and creation of a home mercantile marine) the goods turnover of Memel port during recent years has doubled. As regards the structure of the goods turnover via Memel, export consists chiefly of the following items (in 1 000 tons):

	1924—28*)	1935	1936	1937
Timber	43.2	154.0	178.7	193.1
Cellulose	68.1	48.4	56.7	73.1
Sulphur sticks	17.2	15.4	13.3	21.1
Linseed	3.3	9,9	21.4	17.9
Butter	0	10.2	15.2	15.8
Meat	0	13.1	13.5	12.6
Flax	3,5	2.1	7.5	7.0
Plywood	4.7	5,5	6.2	5.7
Eggs	0.1	1.7	5.1	5.5
Grain	—	163.4	126.4	5.2

The most important articles imported via Memel (in 1 000 tons) were:

	1924—28*)	1935	1936	1937
Timber	11.3	152.9	247.5	262.3
Coal	146.4	214.3	216.3	229.6
Cement	32.8	55.4	72.9	89.7
Metal & Metal Wares	10.3	34.1	42.8	70.2
Fertilizers	71.2	42.3	45.2	60.6
Sulphur pyrites	31.8	15.9	23.7	49.4
Petroleum	9.3	22.0	29.2	44.4
Limestone and Lime	32.9	43.0	30.5	44.2
Salt	9.2	28.1	25.8	23.5
Herrings	1.3	6.2	9.8	11.2

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*) Yearly average.

439 505 The bulk of the goods exported via Memel went in 1924-28 to Germany (51%), Great Britain (15.5%), Latvia, Sweden, Belgium, Holland, and Danzig. On the other hand, in 1937 the sequence was: To Great Britain (46.5%), Holland (10.6%), Germany (8.2%), Belgium, United States, Denmark, and Sweden, which the re-grouping of our export trade during the last ten years reveals.

The goods imported via Memel in 1924-28 originated for the most part from Germany (32.6%), Great Britain (15.3%), Sweden, Danzig, Holland, Norway and Belgium. In 1937 Great Britain took the first place among countries of supply (32.8%), followed by the U. S. S. R. (21.9%), Finland (12.2%), Belgium, Sweden, and for the first time in the sixth place Germany, with only 5.6%.

In conclusion are cited a few comparative figures regarding shipping in the larger neighbouring ports (number of ships):

	1936	1937		1936	1937
Danzig	5 404	5 935	Tallinn	1 589	1 659
Königsberg	4 258	3 332	Memel	1 371	1 414
Riga	1 563	2 054	Libau	520	602

3. Inland Water Traffic.

505 The total length of the Lithuanian waterways amounts to 2 774.3 kilometres of which 683.3 klms. are accessible to steamer communication, while on the remaining 2 091 klms. only timber-rafts can be carried.

The principal traffic of steamers and tug-boats takes place on the Kaunas - Memel line. The following data on the goods turnover of our three most important river ports (in 1 000 tons) illustrate the development of inland navigation goods traffic:

Year	Memel	Smalininkai	Kaunas
1931	153.1	109.8	62.7
1932	278.9	91.3	54.7
1933	269.5	148.2	58.7
1934	341.6	162.1	41.4
1935	340.9	91.8	34.4
1936	420.2	140.9	70.7
1937	400.5	154.6	77.6

APPENDIX

ECONOMIC FIGURES

		1929	1930
433			
	INDUSTRY:		
	1. Total number of medium and wholesale undertakings (of 5 employed persons upwards)	1 044	1 051
	2. Total number of employed workers	19 637	19 334
	3. Total figure of engine power in H. P.	•	•
	4. Production Index	100.0	108.3
	TRADE:		
474 473	1. Total number of larger undertakings (Trade in the narrower sense I — III Corp)	14 255	14 224
● 439	2. Railway goods traffic 1 000 tons	2 079	1 993
	3. Price Index	100	87
	4. Foreign Trade Turnover:		
	(a) Million Litas	636.3	646.2
	(b) Volume	100.0	116.7
	5. Cooperative Trade Turnover, million litas	108.6	111.9
	FINANCE AND CREDIT CONDITIONS:		
652	1. Monetary circulation, in million litas	102.3	117.2
452	2. State Revenue, in million litas	338.5	347.7
453	3. State Expenditure, in million litas	269.9	320.6
	4. Deposits of the Credit Institutions, in million litas	282.8	345.7
	5. Loans of the Credit Institutions, in million litas	333.0	487.8
	6. Total Sums of Bills of Exchange Protests, in million litas	49.1	40.1
	7. Discount Rate of the Lietuvos Bankas	7	7

OF LITHUANIA.

1931	1932	1933	1934	1935	1936	1937	433
1 049	1 105	1 108	1 118	1 136	1 135	1 247	
21 053	19 743	20 660	22 282	23 344	25 844	31 689	
70 038	84 804	95 751	94 585	105 349	109 634	125 157	
140.7	153.7		166.5	185.9	244.2	272.0	
							494
14 141	13 590	12 981	12 572	12 034	12 054	12 445	493
2 164	1 599	1 722	1 853	2 003	2 193	2 352	489 ●
74	61	54	52	46	46	53	
551.1	356.1	302.4	285.9	280.8	346.5	420.9	
128.3	106.6	102.2	103.2	103.9	125.2	139.3	
127.8	111.3	105.8	111.3	149.4	185.2	203.6	
127.1	112.7	105.8	101.1	111.4	124.1	131.9	652
340.1	292.0	256.9	264.4	279.9	302.8	329.9	452
335.3	278.2	249.7	251.8	276.9	287.7	318.2	453
302.0	291.2	278.4	269.5	229.6	290.2	347.6	
479.6	449.5	446.5	461.9	451.5	467.3	501.4	
67.5	71.7	39.3	32.5	23.5	13.9	12.9	
8½	7	7	6	6	5½	5½	

242 therefore hope as yet to equal that of the more progressive countries of Western Europe, but it does exceed the average figure for Eastern Europe. The yield per hectare is 13-14 quintals for wheat and 12-13 quintals for barley and rye; the figure for oats is slightly below the figure for barley, owing to the havoc caused in recent years by rust.

241 Lithuania produces large quantities of cereals and pulse, a large part of which is, however, required for fodder. Forage is also obtained from wide areas of clover, meadowland and [233] pasture. Stock-breeding constitutes the principal agricultural activity: cattle, pigs, poultry. Lithuania used to be famous for her horses, which were exported in large numbers to Western Europe; now, however, there is very little export trade, and almost all the farm-work is done with horses.

Work in the fields generally begins in the second half of April and ends in about mid-November. The winter is long and farm work is concentrated in a relatively short period. The fact that the country is broken up into small farms, in conjunction with the low purchasing-power of the farmer, has prevented the mechanisation of agriculture on any very extensive scale. Cereals and pulse are generally machine-threshed, but most of the field-work is done by animal-drawn implements or by hand. There are a fair number of reapers, binders, seeders, hoers and other types of agricultural machinery, but these are employed only for part of the work; not all the peasant farmers are fortunate enough to possess them, so that a great deal must depend on human labour. This fact and the comparative shortness of the season means that the call for labour is greatest during the summer. Accordingly, a relatively large number of the population lives in the country and is intensively occupied during the season of work in the fields.

⁂

439 The economic structure of Lithuania has determined the character of her trade with Germany. Lithuania disposes of her surplus agricultural production on the international market (in 1938, 40% of her exports were absorbed by the United Kingdom, 26.8% by Germany, 5.7% by the Union of Soviet Socialist Republics, 4.5% by Belgium, etc.). Her imports consist mainly of manufactured products, including 33% from the United Kingdom, 24.4% from Germany, 6.7% from the Union of Soviet Socialist Republics, 4.7% from the Netherlands and 3.8% from Belgium.

In 1938, exports totalled 233 million litai and imports 223 millions. One half of the exports consisted of foodstuffs (122 million litai: including butter 48 millions, bacon 24 millions,

fresh meat and poultry 13 millions, cereals about 20 millions 439
and eggs 7.8 millions).

The total value of exports of raw materials and half-finished goods was 73.4 million litai. Exports of hemp and tow accounted for 25 million litai, cellulose for 12.7 millions and timber for 21 millions.

Among imports, manufactured products head the list (133 million litai, comprising machinery and tools, automobiles, chemical products, textiles and yarns, etc.), followed by raw materials and half-finished goods totalling 78.7 million litai (gilt metals, cement, chemical fertilisers, coal, naphtha and petroleum, cotton, etc.).

As long as the territory of Klaipėda (Memel) belonged to [504]
Lithuania, the foreign trade of the country passed almost exclusively through the Port of Klaipėda (Memel). Under the treaty concluded in March 1939 with Germany, Lithuania retains a free port at Klaipėda.

⁂

There has been a fairly big increase in population; rural 462
families tend to be large. The women, though very fully occupied with their children and domestic duties, find time to look after the animals and work in the fields. This type of work is, however, more often left to women who have no children or domestic duties to attend to — that is, to girls or women whose children are older. Lithuanian women are, as a rule, fit and healthy; nevertheless, they are sometimes forced to neglect their homes, owing to the claims of agriculture and the rearing of children. They are naturally clean and orderly, and like to have a little garden of their own; in winter, they devote themselves to home industries — spinning, knitting, embroidery and sometimes weaving. The artistic value of a great deal of the handwork done in the country is of exhibition standard and has been shown both in Lithuania and abroad — for example, in 1937, at the Paris International Exhibition and, in 1938, at the Berlin International Exhibition of Arts and Crafts.

The Lithuanian peasant is somewhat deliberate in cha- 156
racter; he is long-suffering and is prepared when necessary to go through difficult times without complaint. This was proved during the war, when, notwithstanding intense suffering, the popular songs and jokes dear to the peasant heart were never forgotten.

The rural population used formerly to wear homespun 291
woollen and linen clothing — the production of flax is relatively greater in Lithuania than in any other European country. Of recent years, this type of clothing has disappeared, its place being taken by ready-made factory goods.

234 of the Government. Since then, the dairy industry and the
manufacture of butter have made rapid progress. In 1937, the
474 193 dairymen's co-operative societies, all of which are equipped
433 with the most up-to-date machinery, supplied 420 million
kilogrammes of milk — including that delivered to the 2,052 cream-separating centres — and produced 16.9 million kilogrammes of butter. Though, since the war, the population has increased by some 300,000 inhabitants, the consumption of dairy products per head is at present greater than before the war, and butter exports, which were formerly negligible, amounted in 1924 to 524 metric tons and in 1936/37 to 15,000 tons approximately.

231 Hand in hand with the development of the dairy industries
433 has gone the development of pig-breeding (skim-milk is used for
the fattening of young pigs). Not only has the number of pigs
considerably increased (from 450,000 in 1913 to 1,192,000 in
1937), but the quality of the pigs (for the manufacture of bacon)
● 439 has greatly improved. With the Government's financial
231 support, a bacon export industry has been rapidly built up. In
1928, bacon exports amounted to 150 metric tons; in 1932, to
433 more than 25,000 metric tons, and, in 1936/37 (being affected by
the introduction of bacon import quotas in England), to more than 10,000 metric tons. These figures, together with those for the export of live pigs (in 1932, 34,000, and, in 1936/37, 125,000 approximately) and the number of pigs kept are proof of the progress made.

235 Poultry-keeping also has made considerable headway; more
433 pure-bred poultry are being raised, and feeding and poultry-keeping technique have become more efficient. Horse-breeding likewise has improved, thus facilitating the sale of Lithuanian horses in foreign markets.

433 Such are the methods whereby the Ministry of Agriculture, the Chamber of Agriculture and the organisations working in conjunction with the latter are striving to improve the production both of crops and live-stock and to foster agricultural industries (dairy industries and the manufacture of bacon). Since 1931, the Chamber of Agriculture has also been endeavouring, with the co-operation of the Union of Young Farmers' Clubs, to rationalise and modernise home industries (weaving, knitting, fur-dressing, felt-making, pottery, furniture, etc.) and to improve the artistic qualities of the articles produced. Products of the home industries are thus enabled to compete with factory-produced goods.

473 known as "Lietuvos Cukrus" was founded (the shareholders being the State and sugar-beet-growers), and this centralises all sugar manufacture.

● 439 To improve the quality of agricultural produce for export, the Government controls the export of meat (since 1925), butter (since 1927), eggs (since 1927), linseed (since 1925) and flax (since 1926, the control having been further tightened up in 1934). The centralisation of exports of agricultural produce greatly facilitates export control and increases its efficacy.

435 At the time of the fall in the prices of agricultural produce on foreign markets, the Government, to stimulate supplies for export, fixed minimum prices for the pigs bought by the "Maistas" company, the milk supplied to the dairymen's co-operative societies and cream-separating centres (all the dairymen's co-operative societies in the country are affiliated to the "Pienocentras"), the eggs bought by the "Pienocentras" and the cereals bought by the "Lietūkis". In this way, agricultural prices have been maintained with the co-operation of the three central organisations.

651 Various measures have been adopted with a view to the reduction of costs of production. As long ago as 1933, the rate of interest on mortgage loans was lowered; the total of the land taxes payable by agriculturists during the years 1935 and 1936 was reduced by 10%. Agriculturists leaving their villages and settling on self-contained undertakings are exempt from Government land taxes for a period of one year (this privilege is enjoyed by all agriculturists who have taken over separate undertakings since 1932). Agriculturists who, having taken over separate undertakings since 1932, are obliged to change their place of residence (and such is the case with more than half of those concerned) receive from the Ministry of Agriculture a stated
435 quantity of wood at 20% of the normal sale price. Under the price-control system introduced in 1935, maximum prices have been fixed for chemical fertilisers, bran, feeding-cakes, petroleum and certain other articles which are of particular importance to agriculture. For the 1938 autumn sowings, the Government (in conjunction with the "Lietūkis") has reduced the price of chemical fertilisers by itself paying the cost of railway transport.

000 In conclusion, it may be said that, in spite of the agricultural depression which made its appearance some five or six years ago and which has not yet entirely ceased, the Lithuanian agriculturist is at present in a better position than he was before the war; he is better fed and better clothed and has more money to spare for his cultural needs.[1]

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[1] A detailed description of the progress made in this sphere and of the activities of the institutions and organisations for the promotion of agriculture is to be found in the work entitled *Agriculture in Lithuania*, by Professor J. Krikščiūnas, published by the Chamber of Agriculture, Kaunas, 1938.